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TO  
TODAY.  
TODAY.  
TODAY.

## Iraq Assails Washington As Buildup Continues

**Baghdad Is Isolated, Clinton Aides Assert After Criticism by Aziz**

By Brian Knowlton  
*International Herald Tribune*

**WASHINGTON** — As the U.S. military buildup in the Gulf region continued Thursday, both sides hardened their positions: Iraq blamed the United States and UN weapons inspectors for the latest crisis and U.S. officials said that the Baghdad leadership was now "completely isolated."

Tariq Aziz, the deputy prime minister of Iraq, lashed out at the United States, saying in Baghdad that it had repeatedly failed "serious" efforts by Iraq to comply with United Nations resolutions and obtain a lifting of UN sanctions.

"The road is being blocked continuously, stubbornly, illegally" by the U.S. government, Mr. Aziz said in a news conference broadcast live by CNN.

"We don't see any light at the end of the tunnel," he said, adding: "There is a tunnel after the tunnel."

He again accused UN weapons inspectors, who were withdrawn from Baghdad on Wednesday, of spying for the United States and Israel.

The U.S. State Department spokesman, James Rubin, responded immediately.

"Clearly, Iraq is desperately trying to shift the blame for this crisis away from its shoulders, away from its doorstep, to the United States," he said. "That effort is failing completely and totally."

Joe Lockhart, the White House spokesman, said of Mr. Aziz's comment: "What you are hearing is a voice that is completely isolated."

As proof, U.S. officials cited a statement Thursday by eight Arab states that warned Iraq to cooperate with the UN or bear the consequences.

With 3,000 additional U.S. troops and 129 warships headed to the Gulf region, the likelihood of attacks on Iraqi targets appeared to be rising fast.

Mr. Rubin would not speculate on when an attack might come, although other officials have said that it could be soon.

Mr. Lockhart said that President Bill Clinton faced no "artificial timetable," but added: "This cannot go on indefinitely."

The U.S. defense secretary, William Cohen, said that if the United States did attack, it would be "significant."

And the deputy secretary of state, Strobe Talbott, hinted that any use of force would extend well beyond a day or two of limited strikes.

"There are lots of ways we can make sure he loses on Day One and thereafter," he said, referring to President Saddam Hussein of Iraq.

Mr. Aziz suggested that Iraq would welcome a diplomatic effort by the UN secretary-general, Kofi Annan, to resolve the crisis, but the call appeared to find little resonance.

"He would want an indication from the Iraqis that they are prepared to return to full compliance and then he would want the support of the council that they would want him to mediate," Mr. Annan's spokesman, Fred Eckhard, said.

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## Cautiously, U.S. Forges New Ties With Algeria

By Dana Priest  
*Washington Post Service*

**WASHINGTON** — The United States has held its first bilateral military exercise with Algeria, part of a quiet effort to build ties that some U.S. diplomats and human rights activists fear may be sending the wrong message to a regime Washington has accused of widespread rights abuses during a seven-year war against Islamic extremists.

The military overture ends a hands-off policy pursued by the administration of President Bill Clinton toward Algeria, and follows an assessment by U.S. defense and intelligence agencies that the military-controlled government has gained the advantage against extremists. U.S. officials described the

moves as a reward for several recent decisions by Algeria to allow foreign groups to investigate human rights allegations and press censorship.

The Clinton administration has turned increasingly to the U.S. military to initiate or lead its diplomacy in areas where the civilian foreign policy apparatus lacks access or resources. In the case of Algeria, the U.S. Navy is repeating a role it has played in improving bilateral relations with China, Russia, Ukraine, Yemen, Mexico, Chile and Bulgaria, to name a few.

There are no American plans to help Algeria fight the war against Islamist radicals, which has claimed between 75,000 and 120,000 lives, U.S. officials said. Instead, they said, the initiative was a cautious first step toward better relations.

"We do something periodically to show that we're not anti-military," said Ronald Neumann, deputy assistant secretary of state for Near Eastern affairs and a former U.S. ambassador to Algeria whose tenure ended last year.

"But we're not going to get close to them or join their war until we're sure they are for reform and the human rights situation gets better."

Human rights advocates, some U.S. diplomats and other Algeria experts fear that hard-liners in the Algerian military are still in a position to quash what political pluralism has survived since

| Newspaper Prices |               |                 |           |
|------------------|---------------|-----------------|-----------|
| Andorra          | 10.00 FF      | Lebanon         | LL 3,000  |
| Antilles         | 12.50 FF      | Morocco         | 18 Dh     |
| Cameroon         | 1,600 CFA     | Oman            | 10.00 QR  |
| Chile            | 55.50 Réunion | 12.50 FF        |           |
| France           | 10.00 FF      | Saudi Arabia    | 10 SR     |
| Gabon            | 1,100 CFA     | Senegal         | 1,100 CFA |
| Italy            | 3,000 Lire    | Spain           | 250 Pts   |
| Ivory Coast      | 1,250 CFA     | Tunisia         | 1,250 Dn  |
| Jordan           | 1,250 JD      | U.A.E.          | 10.00 Dn  |
| Kuwait           | 700 Dhs       | U.S. M.R. (Ecu) | \$1.20    |

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## Facing Police, Indonesia's 'Class of 1998' Presses Reform

By Seth Mydans  
*New York Times Service*

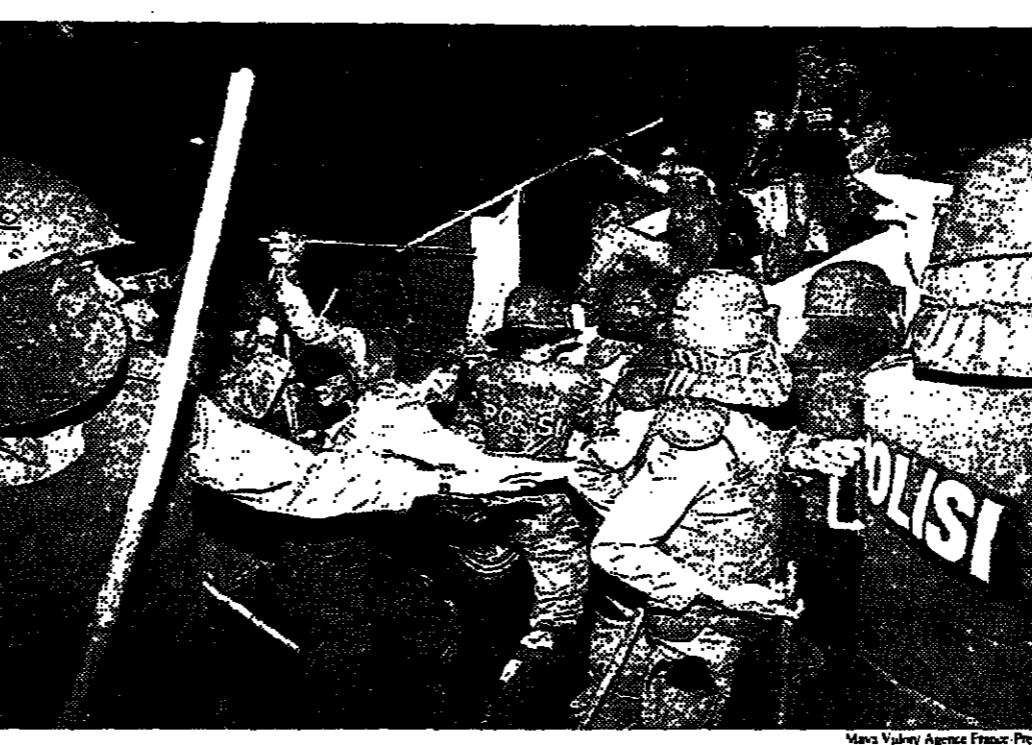
**JAKARTA** — In a last line of defense, riot police on Thursday fired tear gas, water cannon and rubber bullets to keep student demonstrators from invading the grounds of Parliament as they did six months ago when they helped force the ouster of President Suharto.

Dozens of people were reported injured in confrontations around the city as columns of students dodged or bulled their way through police lines. Banks and shops pulled down their shutters in fear of new rioting.

The demonstrations have built in numbers and intensity this week as Parliament meets to lay the groundwork for a new election that would replace the transitional government of Mr. Suharto's chosen successor, President B. J. Habibie.

The parliamentary session is to conclude Friday with a series of intensely debated decrees that will help shape the future of Indonesia's fledgling attempt at democracy. The students say they will be out in the streets in force, ready to demonstrate their opposition.

Although the electoral process has been gen-



Indonesian police beating back student protesters with rattan sticks Thursday in Jakarta during the largest show of opposition to Parliament's special meeting over the future of the country.

erally endorsed by the country's leading opposition figures, it is not radical enough for most of the students, who are demanding an immediate break with the past.

Riding the momentum of their victory over Mr. Suharto in May, the students have taken over major streets in the capital this week by the tens of thousands, marching and chanting, proud to make their mark on history as the revolutionary "class of 1998."

"We have proved to the people that we are not just ignorant boys and girls," said Benny Yulianto, a 23-year-old philosophy student. "I have an obsession that this week will be as great an event as May, only without the riots."

With their jeans, sandals, long hair and guitars, this is a student movement to take its place alongside those of the French and the Americans

See JAKARTA, Page 4

## Blair Leads European Warnings to Baghdad

By Tom Buerkle  
*International Herald Tribune*

**LONDON** — Prime Minister Tony Blair stepped up the threat of military force against Iraq on Thursday, saying Saddam Hussein must comply with UN weapons inspections "or action will follow."

The fresh warning underlined Mr. Blair's position as President Bill Clinton's staunchest ally.

But in contrast to the previous showdown with Iraq over weapons inspections in February, when

some European countries criticized Britain's pro-U.S. stance, there was widespread support in Europe for the British hard line as well as frustration over Iraq's decision to stop cooperating with UN weapons inspectors.

"The next step is action if he is not prepared to come back into compliance with his word," Mr. Blair said.

Mr. Blair's strong support for Mr. Clinton, both over Iraq and personally throughout the scandal surrounding Monica Lewinsky, has brought some criticism both at home and in Europe in recent

months. But it was a sign of European frustration with Mr. Saddam that almost no criticism has been heard this week.

At the French Foreign Ministry, a spokesman said Thursday that "all options are open" at the UN Security Council to deal with Iraq's non-compliance.

"I think that Blair's position has been vindicated," said Terence Taylor, assistant director of the International Institute for Strategic Studies

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## THE AMERICAS

## Despite Tough Talk, Livingston Is Cool on Impeachment

By Juliet Eilperin  
and Guy Gugliotta  
*Washington Post Service*

**WASHINGTON** — The House speaker-to-be, Bob Livingston, is talking tough about President Bill Clinton's behavior, but privately the Louisiana Republican has suggested that he has little interest in pursuing an impeachment inquiry during his speakership.

With House Republicans seemingly split over whether to seek the impeachment of the president, Mr. Livingston has yet to take an active role in bridging the differences. In fact, congressional sources said Wednesday that Mr. Livingston had not discussed the issue of impeachment with House Judiciary Committee chairman, Henry Hyde, Republican of Illinois, since he announced Friday that he would seek the speakership.

In his private conversations with other House members, Mr. Livingston has made clear that "he is leaving the whole thing to Hyde," a source said.

But with Republicans on the Judiciary Committee still anxious to press a confrontation with the White House, many rank-and-file party members are hoping that Mr. Livingston and other Republican leaders will find a way to avoid that prospect before the new Con-

gress meets in January. Exactly how is unclear.

"There is a very widespread feeling and amongst much of the leadership that they want this off the table for the new Congress," said a leading Republican lawmaker. "It is my clear perception that there is nothing the new speaker would want more than to start the next Congress with a clean slate."

"Bob's a pragmatist," said Representative W.J. (Billy) Tauzin, Republican of Louisiana, a close associate of Mr. Livingston. "I think he's going to want to work through things as quickly as possible. You're not going to see Bob moralizing on the issue or letting the issue divide the House."

With no declared opposition and widespread support, Mr. Livingston is virtually certain to be chosen the next speaker when incoming House Republicans meet Wednesday to pick their officers and apportion committee assignments for the 106th Congress. Mr. Livingston will not receive the gavel until the new Congress is sworn in Jan. 3. Until then, the House's pending affairs — particularly impeachment — will remain at least nominally under the direction of the outgoing speaker, Newt Gingrich.

Still, Mr. Livingston's wishes would

be paramount, and at least in public he has been circumspect about his intentions. That is in contrast to Mr. Gingrich, who made the scandal a centerpiece of Republican strategy for the Nov. 3 midterm elections.

**There is nothing the new speaker would want more than to start the next Congress with a clean slate.**

In a television interview Sunday, Mr. Livingston seemed to take note of the election returns, in which public impeachment with the impeachment proceedings appeared to play a role in the disappointing Republican performance.

The American people have certainly indicated in the polls that they don't see it as an impeachable or dismissible offense," he said, referring to the Monica Lewinsky affair.

But on a radio talk show Wednesday, Mr. Livingston was sharply critical of Mr. Clinton, saying "the president of the United States has a responsibility to the American people to live by the laws, to obey the laws," according to the Hotline newsletter.

"And if it's proven that he did not, he's either going to have to be dealt with or he should voluntarily recognize that he's got a problem," Mr. Livingston was quoted as saying. "So far, I haven't heard any singular recognition of his problem, so we'll just have to let the processes move forward."

In a lunch with reporters Wednesday, Richard Gephardt, Democratic of Missouri and House minority leader, said that he expected Republicans to bring an impeachment resolution to the floor next month. Mr. Gephardt refused to predict the outcome, but he criticized the Republicans' handling of the process.

"We've done a lot wrong now and it's hard to put the thing back together again," Mr. Gephardt said. "The problem now is that we're out of time," he said, adding that "I still think it's very important to get it over with by the end of the year."

Mr. Hyde is scheduled to convene Judiciary Committee hearings next week on an impeachment inquiry concerning Mr. Clinton's relationship with Ms. Lewinsky, a former White House aide. Committee Democrats sent a letter to Mr. Hyde on Wednesday asking that the panel make a "summary judgment" on whether allegations made by Kenneth Starr, the independent counsel, "if

assumed to be true, could constitute grounds for the impeachment of President Clinton."

The letter asks for a formal committee meeting next week to consider the motion. Few Republicans have been willing to take public stands on the proceedings. Some say in private they will vote against articles of impeachment while others say they are undecided, but virtually everyone wants the matter to be resolved as rapidly as possible. "It's a bad taste in their mouths, and they'd like to get it out," said Representative Brian Bilbray, Republican of California.

There are people who genuinely believe these are not impeachable offenses, and others who believe it's politically crazy to go ahead," said Representative Peter King, Republican of New York and a moderate who opposes impeachment. "You combine the two, and I don't think there's any way to pass an impeachment resolution on the House floor."

But at this point, many members agreed, the outcome remains uncertain. "If I had to vote five minutes from now, I don't know how I would vote," said Representative James Greenwood, Republican of Pennsylvania and another moderate. "I don't think a majority of the conference knows what it wants to do."

## Delay Sought On Clinton

*The Associated Press*

**WASHINGTON** — Senator Arlen Specter says he is trying to convince key lawmakers that the criminal justice system, rather than Congress, should decide whether President Bill Clinton committed perjury and obstruction of justice. The leader of the House impeachment inquiry says, however, that he will not abandon the investigation.

Mr. Specter, Republican of Pennsylvania, said Wednesday that the Senate majority leader, Trent Lott, Republican of Mississippi, and the likely House speaker, Representative Bob Livingston, Republican of Louisiana, listened to his idea of ending the inquiry and delaying any prosecution until after Mr. Clinton is out of office in 2001 — but made no commitments.

Representative Henry Hyde, Republican of Illinois and chairman of the House Judiciary Committee, said that hearings scheduled for Nov. 19 would go ahead, as would subsequent committee deliberations on articles of impeachment.

"Senator Specter's always ahead of the curve," Mr. Hyde said.

## POLITICAL NOTES

## British TV Offers \$700,000 to Lewinsky

hourlong one-on-one interview with Jon Snow, the network's chief "presenter."

Ms. Lewinsky is said to be eager to sell the rights to her story to help pay her legal fees after 10 months as a target and central witness for Kenneth Starr's investigation of sex in the White House. British networks and newspapers frequently pay for interviews or "exclusive" stories, and all the major news outlets have reportedly been bidding for a Lewinsky appearance.

In return for its six-figure payment, Channel Four would like to air its broadcast before Ms. Lewinsky's unpaid interview with ABC. (WP)

## Gore Is Questioned On Fund-Raising Ads

**WASHINGTON** — Vice President Al Gore has been interviewed in the Justice Department's preliminary investigation of whether he and President Bill Clinton illegally benefited from campaign ads by the Democratic Party in the 1996 elections.

Justice Department investigators interviewed Mr. Gore on Wednesday after talking to Mr. Clinton on Monday.

"The vice president voluntarily agreed to the interview and will continue to cooperate fully, as he has done in the past, with the Justice Department's examination," Mr. Gore's lawyers said.

The interview at the vice president's residence focused on the "Democratic National Committee issue ads," the lawyers added.

Attorney General Janet Reno is expected to decide by Dec. 7 whether to ask a special panel to appoint an independent counsel in the matter.

The Clinton-Gore inquiry is the third separate 90-day review under way related to campaign fund-raising. A separate investigation of Mr. Gore focuses on whether he truthfully described to federal investigators his understanding of how campaign finance laws applied to fund-raising activities he undertook two years ago. (AP)

## Quote/Unquote

Jim Wright, a Democrat who resigned as House speaker in 1989 after an ethics investigation initiated by Newt Gingrich, on Mr. Gingrich's resignation last week: "I didn't weep. I didn't shed tears. But, hey, we're all in this together." (NYT)

## AMERICAN TOPICS

## Amish Toil Against Child Labor Laws

Daniel Mark Smucker spends each weekday working inches away from heavy presses that punch through several layers of tough leather. He is 15. In a corner of southeastern Pennsylvania where horse-drawn carriages charm the eye, the Amish teenager, who wears black britches and a pageboy haircut, toils quite happily at his father's harness factory.

But now, Daniel and his family find themselves in a no-man's-land between federal child labor laws and Amish traditions of self-reliance and hard work, considered the law of God by the so-called Old Order Amish, who number 150,000 in the Eastern and Midwestern United States and in Canada. "We believe that forced idleness in this age is detrimental to our long-standing Amish way of raising our children," Christ Blank, national chairman for the Old Order Amish Steering Committee, told the U.S. Congress last spring.

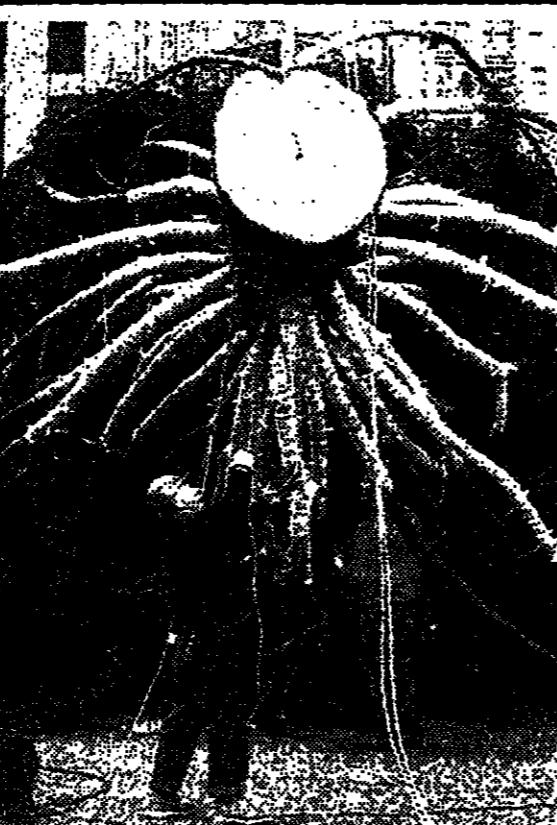
Because of the difficulties of farming and the dwindling supply of available land, some Amish have switched to manufacturing — sawmills and rope factories, for example — and putting their children to work indoors. Federal officials do not intervene when Amish children work in the fields, but federal law bars children under 16 from toiling near power-driven equipment in a factory.

This past summer, Moses Smucker, Daniel's father, was fined \$3,300 for illegally employing four teenagers — including Daniel and a daughter, Frieda, then 13 — to work around hazardous machinery. To Mr. Smucker, that was an infuriating judgment of his religion and his role as a caring father. "They're trying to tell me I can't have my own children working for me," he said, his large hands shaking as he worked in his barn.

John Fraser, a Labor Department official, said safety was the key issue. "We're not out to get the Amish," he said. The U.S. House of Representatives has approved a measure to ease child labor laws for Amish youths. The Senate has yet to act.

## Short Takes

It is not what you would expect to find at a high school, let alone one in Flushing, in the Queens borough of New York City: a crimson barn with 150 egg-laying hens; a four-acre (1.6 hectare) farm brimming with green beans and mammoth-faced sunflowers, and cows being groomed not by hay-chewing farmers, but by young girls with safety pins piercing their ears. John Bowne High School in Flushing boasts the largest agricultural science program of any high school in the state. Nearly 600 students learn to tend apple or peach orchards, care for birds and snakes, or cultivate vegetable patches. The New York Times reported.



**HOLIDAY HOIST** — Workers preparing to raise a 73-foot-tall (22-meter) Norway spruce into place as Rockefeller Center's Christmas tree in New York.

The 58,196 names etched into the black granite of the Vietnam Memorial wall in Washington will now be posted on the Internet, along with comments from the dead men's families and friends. The new Web site, a joint project of the Vietnam Veterans Memorial Fund and Winstar Communications Inc., will be at [www.thevirtualwall.org](http://www.thevirtualwall.org).

Holiday bakers are in for a shock: The cost of butter has soared recently to about \$4 a pound, about twice its usual price. Why? In a word, pizza: Demand for many milk products has boomed. The Washington Post explains, so given the choice between investing in butter-production facilities and cheese plants, dairy producers have chosen cheese. Part of the cheese production is used for toppings on popular Latin foods.

The biggest buyers, however, are the enormous pizza-making chains that sell millions of cheese-topped pies a day.

Brian Knowlton

## Away From Politics

A federal agent was nearly hit by a bullet when a shot was fired at the command post in Andrews, North Carolina, where federal agents are coordinating their search for the bombing suspect Eric Rudolph. (AP)

California forestry officials suspended the logging license of Pacific Lumber Co. because of environmental violations, forcing the company to lay off 180 workers. Pacific Lumber cuts trees on about 200,000 acres of forest in Humboldt County. The company's holdings include a section of the Headwaters Forest, site of thousands of acres of ancient redwoods recently purchased by the state and federal government for \$500 million. (AP)

Authorities in Los Angeles have seized 2 million fake government ID cards and other documents in what is believed to be one of the largest such busts in Immigration and Naturalization Service history. The raid turned up fake resident alien cards, immigration forms, driver's licenses, Social Security cards, credit cards, traveler's checks and printing equipment. Since August, authorities have arrested 12 people, all charged with possessing and trafficking in counterfeit documents and possessing equipment to make counterfeit documents. (AP)

Medical researchers are recommending that schoolchildren get annual flu shots to help control the rampant spread of the virus this winter. It is an unusual

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For that sum, Channel Four wants the right to sell the program anywhere, except on ABC's North American turf.

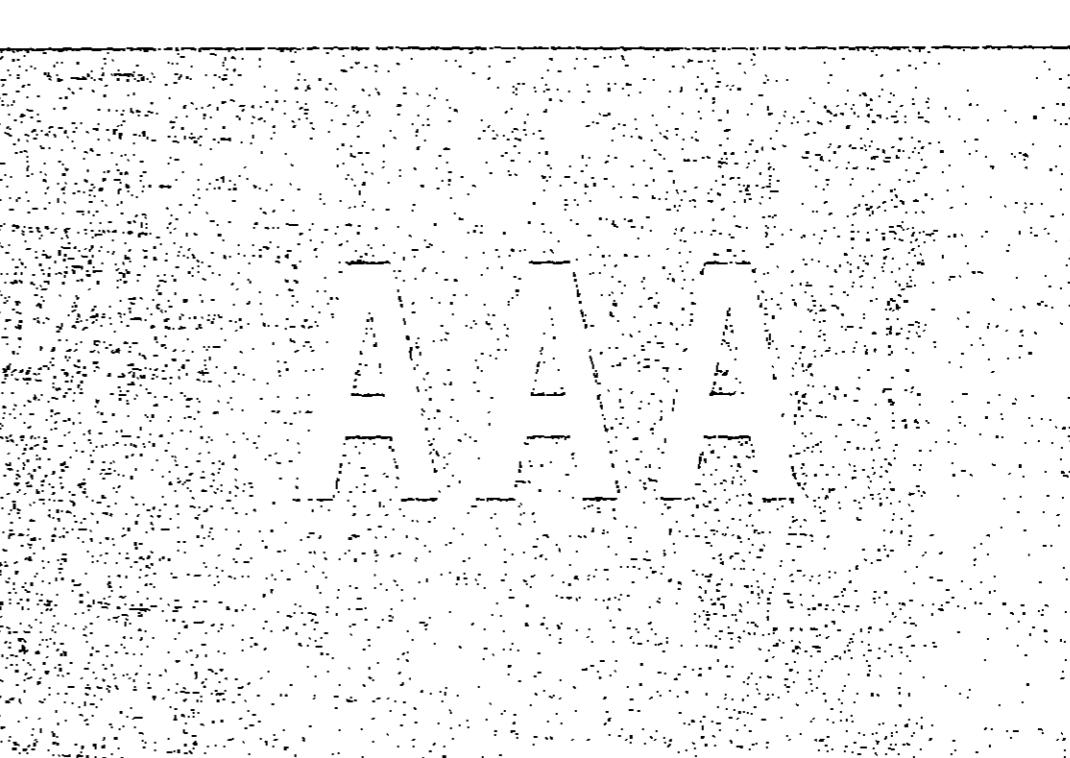
Ms. Patten said it was likely that such a program would take the form of an

## DID YOU MISS A DAY THIS WEEK?

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## ASIA/PACIFIC

**Anwar's Trial Brings Tactics of Malaysia's 'Special' Police to Light**By Thomas Fuller  
*International Herald Tribune*

**KUALA LUMPUR** — Towering above the courthouse where a judge presides over the trial of Anwar Ibrahim, the former Malaysian deputy prime minister, is a tall white building that holds an eerie mystique for Malaysians. It is called Bukit Aman, the Hill of Peace.

Inside the structure, which overlooks downtown Kuala Lumpur, is the headquarters of the country's "special branch," an elite, secretive police unit with wide-ranging powers.

In the four decades since Malaysia's independence, the special branch has detained and interrogated Communists, religious extremists, opposition politicians, and more recently Mr. Anwar, who is charged with using his political influence to cover up alleged acts of sodomy.

For decades, Malaysians could only speculate on what happened atop the Hill of Peace, but in the past two weeks the special branch has been forced to go public. Top brass from the agency testifying in Mr. Anwar's trial have detailed techniques used to interrogate witnesses and have openly said that they do not follow the rules in the Criminal Procedure

Code that governs police conduct.

Last week, the head of the special branch, Mohammed Said Awang, spoke about how his department "turned over" and "neutralized" witnesses — changing an undesirable stand or opinion.

He said his officers would "do a quick assessment on our target, then we see how the possibilities are to turn over their stand."

"If it is a certain political stand," he said, "we may neutralize the stand if it is a security threat."

Under normal circumstances, Mr. Mohammed Said's comments could be taken as sterile police jargon, but coming less than a month after Mr. Anwar described his detention in police custody — being beaten unconscious "until blood seeped down my nose" — the comments have had greater resonance.

A 20-year veteran of the police agency, Abdulaziz Husin, provided more details on special branch techniques in testimony earlier this week.

"The continuous interrogation involves the use of rapid-fire questions to create a climate of fear as if a physical attack could occur against the target," he told the court.

Some Malaysians say that the con-

sequences of this extraordinary testimony, which is extensively reported by local newspapers, could be more important than the outcome of the trial itself.

"There's no doubt that there's now a greater degree of cynicism and skepticism about the impartiality of the police — and what should be the independence of the police," said Lim Kit Siang, the leader of the opposition in Parliament who was detained for 18 months during the late 1980s as a threat to national security.

For years, political scientists have spoken about an unwritten social contract in Malaysia. Citizens accepted a powerful but benevolent government in exchange for stability and continued prosperity. The special branch formed an important part of that contract, serving as the government's tool to clamp down on dissent.

There are signs today, however, that the contract is breaking down, especially when it comes to the police.

Earlier this week, 36 human rights activists, journalists and lawyers announced a 75 million ringgit (\$20 million) lawsuit against the police for illegal arrests and detention following a conference on East Timor that was broken up in 1996. Police had raided the conference,

detained more than 50 Malaysians and had deported 46 foreign participants.

"We are trying to send a very clear message to the government that they can't illegally detain anyone and think they can get away with it," said Elizabeth Wong, a plaintiff in the suit.

Perhaps another measure of disaffection with police tactics is the brisk sales of a book published several years ago about life under police detention called "Two Faces," by Syed Husin Ali, a

former anthropology professor at the University of Malaya who was detained for six years by police following his involvement in a 1974 student protest.

Mr. Syed says he has sold thousands of copies of the book since Mr. Anwar's detention in September.

"The attitude in the past was that if the trusted leader said something that people tended to believe it," said Ruslamin Sani, a lecturer at the University of Malaya and one of the country's most

influential newspaper columnists until a government-linked newspaper stopped running his articles in May.

"There's been a sea change in our political culture. This is happening at a stage in our political life when the demand for democracy has never been higher." The prosecution is attempting to prove that Mr. Anwar directed the special branch to obtain written rejections from two people who had made allegations about Mr. Anwar's alleged sex acts.

**Clinton Does Not Plan to Meet Anwar's Wife***The Associated Press*

**KUALA LUMPUR** — President Bill Clinton does not plan to meet with the wife of Malaysia's detained former deputy prime minister during a visit next week, a U.S. official said Thursday.

Zainah Ismail, the wife of Mr. Anwar Ibrahim, reportedly wants to meet with Mr. Clinton while he is in Kuala Lumpur for a trade summit meeting. She has said she expects to speak with the presidents of Indonesia and the Philippines when they, too, are in the Malaysian capital for the Asia-Pacific Economic Cooperation summit talks.

But U.S. diplomats in the Malaysian capital ruled out that

possibility in a brief statement issued by the U.S. Embassy. The statement gave no reason for the decision not to meet with Miss Azzah.

Mr. Anwar is being tried on charges of sodomy and abuse of power. He was fired by his one-time mentor, Prime Minister Mahathir bin Mohamad, in September after disputes over how to handle Asia's economic crisis.

Mr. Anwar's trial will be suspended during next week's APEC meeting. Any meetings between Miss Azzah and world leaders very likely would infuriate the Malaysian government, which does not want the Anwar case to become a sideshow to the summit talks.

**Seoul Backs Writer on Korean War**By Don Kirk  
*International Herald Tribune*

**SEOUL** — A magazine article criticizing a liberal professor and adviser to President Kim Dae Jung has reopened some of the wounds of South Korea's long crackdown against Communist sympathizers after the Korean War.

This time, however, the government and a district court are supporting the professor rather than threatening him.

The principal protagonists are Choi Jang Jip, a well-known academic who has written speeches for Mr. Kim, and the country's leading daily newspaper, Chosun Ilbo, noted for its conservative criticism of officials viewed as leftist.

Mr. Choi appeared to have won the first round when a court decided Wednesday to ban the sale of Chosun Ilbo's monthly magazine because it had libeled Mr. Choi in smacking his analysis of the launching of the Korean War in June 1950. Chosun Ilbo said Thursday, however, that it is appealing the decision. The court ruling also imposes a fine of 10 million won (\$7,600).

Still pending is a final judgment in a damage suit in which Mr. Choi is suing Chosun Ilbo for 500 million won.

The initial court decision marked a total reversal from an era when the government and courts routinely acted in concert to imprison anyone suspected of sympathizing with North Korea. Part of the country's national security law effectively bars all pro-Communist activity.

In a book published eight years ago, Mr. Choi wrote that "the war in the initial period was fundamentally a national liberation war." Acceptance of that view, say conservatives, would mean that North Korea, backed by China and the Soviet Union, was justified in its attack on the South, which was defended by U.S. forces.

Mr. Choi, who teaches at Korea University and leads the presidential commission on policy planning, charges that the magazine crafted the article to make him appear sympathetic with the North Korean regime.

Mr. Choi offended conservatives by describing the decision to go to war by the late North Korean leader, Kim Il Sung, as "historic," according to Chosun Ilbo. Mr. Choi, however, countered that the Korean word that he used was deliberately misinterpreted.

"I did not use the word *yoksojok* to positively portray Kim Il Sung's decision," said Mr. Choi, "but to explain its historical significance." The word is usually translated as "historic" or "historic."

He hailed the court decision as showing that "reason won over forces who resist change in a time of democratization."

A group of retired generals had denounced him for "national betrayal," while scholars in both South Korea and the United States have supported Mr. Choi as a hero and a symbol of freedom.

A spokesman for Mr. Kim said the government had "concluded there are no problems" with Mr. Choi's writing.

Chief Judge Shin Young Chul in his ruling said the press had the right to find out if Mr. Choi "endorses free democracy" but had no right to "publish what is not true or to invent accusations of personal attacks."



TEMPLE TUSSE — Monks brawling Thursday in Seoul over elections for the leadership of the Chogye Buddhist Order, the largest in South Korea. Hundreds of opponents of the head monk, Song Wol Ju, claiming he is incompetent and corrupt, have occupied the headquarters temple and delayed the balloting.

**Kim, in China, Advocates A Regional Security Body**

Reuters

**BEIJING** — President Kim Dae Jung of South Korea called Thursday for the creation of a Northeast Asian regional security body to manage territorial disputes and military tension.

"Northeast Asia remains the only region in the world where there is no regional cooperative system for the maintenance of peace," Mr. Kim said in a speech in Beijing on the second day of his official visit to China.

"We cannot but feel the need for the establishment of a cooperative regional organization," he told Peking University faculty and students after listing threats to regional peace, including a weapons

buildup and territorial disputes. He did not provide details on his proposal.

Mr. Kim included the September launch of a North Korean rocket as a seed of conflict in the region, but he said he stood by his efforts to improve relations on the Korean Peninsula.

Mr. Kim, speaking after a meeting with President Jiang Zemin, urged Beijing to take a more active role in the four-way talks among the two Koreas, the United States and China.

"The situation on the peninsula is relaxing on the whole," Mr. Jiang told Mr. Kim, according to a Chinese spokesman, "and the relationship between the parties concerned are improving gradually."

Mr. Kim made little mention of human rights in his speech. Instead, he underscored aspects of Confucian philosophy shared by the two countries that he said mirror Western democratic ideals. "In China, rulers were expected to 'regard the people as if they regarded heaven,' and 'respect heaven and love the people,'" he said. "These teachings are as important as the Western idea of human rights."

**BRIEFLY****Bangladesh Strike Ends in Violence**

**DHAKA** — Three more people were killed and nearly 200 were injured in clashes between political rivals in the closing hours of a three-day general strike.

The killings raised the death toll to seven, with more than 500 injured during the 60-hour strike, according to news reports Thursday.

The strike was the longest opposition-led shutdown since Sheikh Hasina Wazed's government came to power two years ago.

Business leaders said the strike cost the impoverished country \$200 million in lost revenue. (AP)

**Subcontinent Rivals Draw U.S. Pressure**

**WASHINGTON** — The United States, which last week lifted some economic sanctions on India and Pakistan, on Thursday renewed public pressure on both South Asian states to take specific steps to curb nuclear and missile programs.

But in a speech at the Brookings Institution, Deputy Secretary of State Strobe Talbott said the only thing that would really bring peace to the Indian Subcontinent was if New Delhi and Islamabad "liberate themselves from their own ethnicity."

Otherwise, he said, "No amount of diplomatic exertion on our part, on nonproliferation or any other subject, will have much effect."

(Reuters)

Finally, the students' ebullient and fearless weeklong occupation of the Parliament building was the most visible part of the endgame that forced Mr. Suharto to step down.

Many people here see the students as an essential moral force, assuring that Parliament will not back away from its outline of democratic reforms. As the four-day parliamentary session continued Thursday, delegates inside the building repeatedly asked reporters, "What's happening outside?"

In a nation where all government institutions and almost all public figures are holdovers from the 32-year Suharto era, the students are the most insistent voice that does not yet have a true democracy, their voices must be heard from beyond the spiked fence that surrounds the Parliament building.

But they are not a unified movement with clear leaders, and a foreign diplomat who has analyzed the student groups said they have in recent weeks undergone a process of increasing fragmentation.

"Now they are kind of leaderless, and

some have abandoned their positions of nonviolence," the diplomat said. "The movement is fracturing all the time."

Their various agendas seem to converge on a demand that the military withdraw from its dominant role in politics and that the government investigate Mr. Suharto's stolen wealth. Many students are demanding the immediate resignation of Mr. Habibie, although a split in the movement has emerged over this issue.

In effect, the students are still demon-

strating against Mr. Suharto and his legacy, demanding the completion of Indonesia's halfway revolution.

"We will watch the conclusion of the session, and if Suharto is not punished, we will be back again," said Raja Manans, 19, a student of management at Trisakti University.

At the same time, the student movement is itself a legacy of Mr. Suharto, the product of the rapid economic development he achieved and the emerging

middle class that was its result. The students, with their vision of an open democratic society, are Indonesia's first truly middle class generation.

"We realize that not all the people agree with us," Mr. Yulianto said of the students' political agenda. "But our role is educational. By staging our protests, we are saying to the people that it is possible to speak out. For many years, we were held down. Now we break the fence and move forward."

**APEC: Tokyo Is Set to Derail 'Fast-Track' Accord on Free Trade**

Continued from Page 1

in 1968. Already, they have earned the right to help shape the national agenda of Indonesia.

It was their continuing campus demonstrations that kept alive the country's timid opposition to Mr. Suharto after he was appointed for a seventh five-year term in March. And it was the killing by security forces of four students at Trisakti University in mid-May that sparked three days of devastating riots that shook Mr. Suharto's hold on power.

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the political importance of a deal on the fast-track accord in a speech to U.S. exporters was supposed to be agreed to in Kuala Lumpur.

"Last year we agreed to consider opening nine key sectors worth more than \$1.5 trillion a year in world trade," he said. "We need to deliver on that agreement. If we expect the American people to support expanded trade, free trade must also be fair trade."

In a report prepared for the meetings in Kuala Lumpur, the Pacific Economic Cooperation Council said that "a rebirth of protectionism" could abort prospects for economic recovery in East Asia.

The Asia-Pacific region "remains very dependent" on trade, said the council, which comprises business, academic and government representatives from 23 Asia-Pacific economies. It said the risk was "probably greatest in the United States, which is suffering from a historic rise in its merchandise trade deficit."

U.S. officials have said that the deficit is likely to swell to a record \$220 billion this year — double the 1997 level — and

could exceed \$300 billion by the end of 1999. Most of the imbalance is with East Asian countries, led by Japan and China.

Despite the high stakes, officials said that any fast-track agreement be voluntary and that discussion of forestry and fishery tariffs be left to the next round of global trade negotiations under the auspices of the World Trade Organization. Those negotiations are not due to begin before 2000.

China, Indonesia, Thailand and Malaysia have joined Japan in emphasizing the voluntary nature of the fast-track agreement.

APEC's members are Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, Thailand and the United States.

Russia, Vietnam and Peru are to be officially admitted as members this weekend.

**HONG KONG: China's Taking Jurisdiction in Kidnapper's Trial Stirs Fears in Ex-Colony**

Continued from Page 1

British-style legal system. On Tuesday, Mr. Cheung's mother, Tang Sui-mui, went to the offices of Hong Kong's chief executive, Tung Chee-hwa, to plead for her son's case to be moved.

Few politicians or legal experts are rushing to Mr. Cheung's defense. But they are sharply critical of the government for not defending the territory's judicial independence. Under Hong Kong's constitution, they argue, Chinese criminal law does not apply in this former British colony.

"There has been a great outcry, but the government is consistently defending the rights of China," said Martin Lee, a prominent opposition politician here. "Surely they should be on the side of the Hong Kong people."

Gladys Li, the former chairman of the Hong Kong Bar Association, said the blurring of jurisdictions raised alarming possibilities.



## INTERNATIONAL

## Israel Presses Controversial Housing

## It Seeks Bids to Build Homes for Jews in Arab Part of Jerusalem

By Lee Hockstader  
*Washington Post Service*

JERUSALEM — Less than 24 hours after it endorsed the U.S.-brokered Middle East peace plan, the Israeli government took a decisive step Thursday toward building a huge Jewish neighborhood in the traditionally Arab part of Jerusalem despite bitter opposition by the Palestinians.

It was Israel's decision to break ground for infrastructure on the disputed hillside two winters ago that triggered a 19-month long hiatus in Middle East peace-making.

Thursday, despite repeated requests from the Clinton administration to refrain from provocative acts, Prime Minister Benjamin Netanyahu's government asked for bids to build the first 1,025 homes in a project that would eventually house 30,000 Jews.

The Har Homa housing project, on a pine-covered hill that Arabs call Jabal Abu Gheneim, is the first major effort to change the political geography of Arab-populated East Jerusalem since Israel-Palestinian negotiations began in 1993.

Although building a large Jewish neighborhood there infuriates Palestinians,

it is not clear whether it would be enough to derail the land-for-security peace plan, which was revived last month after nine days of talks mediated by President Bill Clinton.

The Oslo accord of 1993 left the ultimate status of Jerusalem, which Arabs and Jews alike regard as their rightful capital, to be negotiated in final talks between the two sides. But Mr. Netanyahu has insisted that as far as he is concerned, Jerusalem is Israel's eternal and indivisible capital and that construction decisions here are Israel's exclusive right.

"I've said for the last two years Har Homa will be built by the year 2000," Mr. Netanyahu told a group of foreign journalists.

"It's an issue not only of community needs but of sovereignty. Har Homa is predominantly Jewish land."

But Mr. Netanyahu's decision to go forward with Har Homa was widely seen as a concession to his right-wing coalition partners, who fiercely oppose the territorial concessions he made in Washington last month. Israel is to hand over a further 13 percent of the West Bank to the Palestinians in return for Yasser Arafat's pledge on Wednesday.

That would block their evolution as capital of the state that Palestinians hope to establish during the peace process.

## ■ Ross to Return

The U.S. Middle East envoy, Dennis Ross, will fly to the region on Thursday to continue work on the peace agreement, the State Department said, according to Reuters.

Mr. Ross had been planning another Mideast mission for more than a week but his travel was delayed until Israel's cabinet approved the plan on Wednesday.

## ALGERIA: Joint Military Exercise Strengthens Ties With U.S.

Continued from Page 1

1992, when the government canceled elections and banned the leading opposition party. The new U.S. approach, they said, could lead hard-liners to believe they have Washington's tacit backing.

"This is a bad move," said John Entwistle, an Algerian expert at Fordham University in New York. "The situation is so fluid. There's so much uncertainty. It's a mistake when we're perceived to be on one side, when an even-handed approach is cost-free to us."

In August, Admiral Thomas Lopez, then commander-in-chief of U.S. Naval Forces in Europe, became the first high-ranking American officer to visit Algiers. On Oct. 4, the U.S. and Algerian navies conducted a small search-and-rescue exercise in the Mediterranean, their first bilateral exercise since Algerian independence in 1962.

proved the commercial sale of a radar control system and agreed to allow the Algerians to buy more U.S. military training through the expanded-IMET program, which focuses on nonlethal training for midlevel officers.

U.S. officials went ahead with the exercises after Algeria allowed a United Nations human rights commission into the country for a much-restricted, but first, visit.

## ■ Rebels Suspected in Attacks

Suspected Muslim rebels slashed the throats of 17 people and wounded three others overnight in the most serious attack against civilians in two months, security forces said Thursday. Reuters reported from Algiers. The security forces said the attack occurred at a hamlet in Ain Defla Province, a radical Islamist stronghold 130 kilometers (80 miles) southwest of Algiers.

While private U.S. investment in Algeria stands at \$2 billion, mostly in the oil and natural gas industries, until this year U.S. direct aid amounted to \$61,000 in funds for international military education and training, known as IMET funds.

This year officials doubled the IMET program to \$125,000. Washington ap-



CHIRAC VISITS MEXICO — President Jacques Chirac of France, left, joking with President Ernesto Zedillo of Mexico during the official welcome Thursday. Mr. Chirac hopes his visit will improve trade ties.

## WARM: Washington Endorses Kyoto Environmental Agreement

Continued from Page 1

countries like China and India whose emissions are growing fast continue to resist doing so.

"The president has chosen a risky path both domestically and internationally," said Connie Holmes, the chairwoman of the Global Climate Coalition, which represents major industry groups opposed to the treaty.

She said that signing the treaty rejected the advice of the Senate, which voted last year not to sign until the developing nations took on commitments. Signing the treaty, she said, gave away negotiating leverage with the Third World.

Senator Chuck Hagel, a co-author of the Senate resolution last year, said the signing "blatantly contradicts the will of the United States Senate" and dared President Bill Clinton to submit it to the Senate, which must approve any treaty by a two-thirds vote. "If this treaty is good enough to sign, it's good enough to be submitted to the Senate for an open, honest debate," he said.

Environmental groups praised the

signing, but said that so far the United States was not doing enough to cut its own greenhouse gas emissions.

"Without a more vigorous commitment to domestic action, U.S. demands for more action by developing countries are like a chain-smoking parent telling their children that smoking is bad for them," said John Adams, president of the Natural Resources Defense Council, an environmental advocacy group.

## ■ Argentina Makes the First Step

*John Warrick of The Washington Post reported earlier:*

President Carlos Saúl Menem of Argentina reinvigorated the climate negotiations by committing his country to cutting "greenhouse gas" emissions in the first such pledge by a developing country since last year's global warming treaty.

Mr. Menem's announcement Wednesday electrified the talks while undercutting one of the biggest obstacles to an international strategy for fighting global warming: getting developing countries to take more responsibility.

The move was hailed as a break-

through by the Clinton administration which is pressing developing countries to share more of the burden for protecting earth's climate.

"The planet is our home, and to preserve it is our responsibility," Mr. Menem said in declaring Argentina's intention to adopt targets for restricting emissions over the next 13 years.

U.S. officials said that it was not too late for Iraq to resume cooperation with Uncom — the UN weapons inspectors



An Israeli soldier fitting a gas mask at a distribution center in Jerusalem on Thursday. Sixty-five such centers were opened around the country.

## Israelis Start Distributing Gas Masks

The Associated Press

JERUSALEM — The Israeli Army opened gas mask distribution centers Thursday in preparation for a possible attack by Iraq, though a senior adviser to Prime Minister Benjamin Netanyahu said the probability of Israel being targeted was "close to zero."

The Palestinians, meanwhile, urged the United States to exhaust the diplomatic option. "I hope and urge that there will not be an attack against Iraq," Yasser Arafat, the Palestinian leader, told The Jerusalem Post.

Mr. Arafat supported Saddam Hussein, the Iraqi leader, in the 1991 Gulf War in which Iraq fired 39 Scud missiles at Israel. However, the Palestinians have remained neutral in subsequent crises.

Mr. Netanyahu met with top ministers Thursday to discuss Israeli preparedness for a possible U.S. strike that might trigger an Iraqi attack on Israel.

On Thursday, the army opened 65 gas mask distribution centers around the country, the army spokesman's office said. The number will gradually be increased to 150 centers that will be open 24 hours a day.

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## IRAQ: Both Sides Harden Positions as U.S. Continues Buildup

Continued from Page 1

referring to the UN Security Council.

"And I don't think he has got those conditions today."

"That is not to say he would not be available if the council asks him to do something. But at the moment he has no plans to go to Baghdad."

Mr. Annan is scheduled to meet with UN Council members Friday.

Mr. Lockhart said that U.S. officials "prefer a peaceful solution," but added, "There's really nothing to negotiate here."

President Saddam could end the crisis by resuming cooperation with UN inspectors, he said:

Administration officials said that Mr. Clinton, who has met repeatedly with his national security advisers in recent days, could issue an order to strike at any time. Mr. Lockhart said the president had not canceled plans for an Asia trip next week but could do so if the crisis dictated it.

On Thursday, Mr. Clinton phoned the leaders of Germany, Sweden, Belgium and the Netherlands, as he continued seeking support for U.S. handling of the crisis. Administration officials said they were finding backing around the globe.

"The whole world sees Iraq as blame and Iraq as being responsible for the current crisis," Mr. Rubin said.

He and other U.S. officials warmly welcomed a statement from the eight Arab states that cautioned Iraq to cooperate with the UN or bear the consequences of defiance.

"The Iraqi government will be solely responsible for all repercussions resulting from its decision to block Uncom from carrying out its inspections transparently," said a declaration from the members of the Gulf Cooperation Council — Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates — joined by Syria and Egypt.

Mr. Rubin described the declaration, issued in Doha, Qatar, as part of an international "clarion call on Iraq."

The statement gave no indication whether any of the Arab countries would join in a U.S.-led military operation against Iraq.

Secretary of State Madeleine Albright spoke Thursday to her counterparts in Germany, Slovenia, Portugal, France and Japan. Mr. Rubin said, and had concluded, "that the rest of the world very clearly has placed responsibility on the shoulders of Iraq."

U.S. officials said that it was not too late for Iraq to resume cooperation with Uncom — the UN weapons inspectors

— but brushed aside the notion that there was anything for Mr. Annan or anyone else to negotiate.

"The responsibility is not the secretary-general's and not the Security Council's," said Peter Burleigh, the acting U.S. ambassador to the United Nations.

"What is needed now is a positive Iraqi response. That is how to defuse the situation."

Similarly, Secretary Cohen said: "We're not seeking to go to war. We're seeking to avoid it. All he has to do is to do his best."

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## Christians are now

seeing themselves as the  
victims and martyrs of  
the moment.

foreign affairs or human rights is beginning to exert its influence on U.S. foreign policy.

They are lobbying cities to stop doing business with nations that they say persecute Christians. They are writing letters to countries — some of whose names they cannot pronounce — demanding the release of Christian prisoners.

They are swelling the coffers of groups that aid persecuted Christians. And they are traveling to refugee camps in Africa and Asia, taking donated Bibles and gathering testimony of suffering to take back to their congregations in Ohio or California.

Churches that have long found themselves on opposing sides in the debates over abortion or homosexuality are finding common cause in the fight against Christian persecution.

"All Christians everywhere, the body of Christ, is really one body, so if one part is feeling pain, we should all be feeling pain," said Amy Wierman, who is the host of the prayer group in her apartment in Pennsylvania each Tuesday. "The Christian woman raped in Egypt, that is my sister. The guy shot in Pakistan, that is my brother."

Now a wide swath of Americans who say they never paid much attention to

In a movement that is even more spiritual than it is political, the antidote often promoted is prayer. On Sunday, as many as 100,000 U.S. churches — about a third of the churches in the nation — are expected to participate in the International Day of Prayer for the Persecuted Church, an annual event that began two years ago in just 5,000 churches.

Organizers of the Day of Prayer say the event will be observed by a broad array of congregations that rarely find themselves allied, including Methodist, Southern Baptist, Roman Catholic, Pentecostal, Orthodox and Salvation Army churches.

As a result, from both the theological left and right, a consensus is emerging. After decades of soul-searching over the indifference or even complicity of some Christians in the Holocaust and in genocidal wars in Rwanda and Bosnia, Christians are seeing themselves as the victims and martyrs of the moment.

In church services, in literature and in videos put out by the persecuted church movement, they are likening Christian persecution to the Holocaust. They quote from Anne Frank and Eli Wiesel. And for moral reinforcement, they frequently note that it is two Jews — Michael Horowitz, director of the conservative Hudson Institute, and A. M. Rosenthal, a columnist at The New York Times — who have been raising the loudest protests about the persecution of Christians.

## Turkish Coalition Near Collapse

The Associated Press

&lt;p

## INTERNATIONAL



Michael West, left, Jose Cibella and Jim Robl of Advanced Cell Technology, which says it grew a human nucleus placed inside a cow egg, a novel technique that could be used to develop organs for transplant.

## Cells, Half-Human and Half-Cow

### Construction of Embryonic Form Troubles Ethicists and Scientists

By Nicholas Wade  
New York Times Service

**NEW YORK** — Venturing deep into uncharted realms of ethics and medicine, a small biotechnology company has announced that its scientists have for the first time made human cells revert to the primordial, embryonic state from which all other cells develop, by fusing them with cow eggs and creating a hybrid cell.

The research comes from biologists who are well known in their field, but it has yet to be confirmed or even published in a scientific journal. Their company, Advanced Cell Technology of Worcester, Massachusetts, said the method could eventually be used to grow replacement body tissues of any kind: from a patient's own cells, sidestepping the increasing scarcity of organs available for transplant and the problem of immune rejection.

The technique is likely to concern ethicists because it involves the cre-

ation of an embryonic cell that is part human and part cow, consisting of a human cell's nucleus inside a cow egg whose own nucleus has been removed.

The company said the hybrid cell

quickly became more humanlike as the human nucleus took control and displaced cow proteins with human proteins. Creation of the embryonic cells is an important component of a strategy that in principle offers high medical benefits if it can overcome a doubtful barrier to public acceptance.

The technique involves creating an embryo of uncertain moral status, one that crosses the barrier between humans and other species. Even though a hybrid is in the form of cells, not a whole organism, the concept of half-human creatures arouses deep anxiety, as is evident from the unfriendly powers ascribed to werewolves, centaurs, mermaids, Minotaurs and other characters of myth and folklore.

"Many people are going to be horrified by this scenario," said Thomas

Murray, director of the center for biomedical ethics at Case Western Reserve University in Cleveland and a member of the National Bioethics Advisory Commission. "Others will say, 'So what?' This is the sort of thing that makes me very uncomfortable."

Another serious uncertainty is the preliminary nature of the company's work. No article has yet been submitted for peer review and publication in a scientific journal, an essential touchstone of credibility. Scientists asked about the company's work said they would require much more proof before believing that human embryonic stemlike cells had been created, as claimed, and some were skeptical the technique would work at all.

The company said it had achieved the feat announced Wednesday with one cell three years ago. Michael West, chief executive of Advanced Cell Technology, said he was announcing the work done to date in order to test its public acceptability.

## Lavish Habits Linger On in Brazil

By Diana Jean Schemo  
New York Times Service

**BRASILIA** — In late August, as South America panicked at the possibility that Brazil's economy would follow Russia's into default, the government here scrambled for ways to protect the country's shrinking foreign reserves.

The government announced billions of dollars of spending cuts and tax increases, and started discussing a bailout with the International Monetary Fund.

Communications Minister Luiz Carlos Mendonca de Barros went to Madrid, where he persuaded Telefonica SA to advance Brazil the next \$3 billion payment toward the Spanish company's purchase of a Brazilian state-owned telephone system.

But back home, Mr. Mendonca de Barros took delivery of four Persian kilims to decorate his office, billing the government \$4,000. That was a modest sum compared with the \$38,000 that the Supreme Court — which will probably have to rule on a number of sacrifices Brazilians are called on to make in the name of austerity — forked over for Persian rugs a few months before.

In Pernambuco, the capital of Brazil's poverty-stricken northeast, the Federal District Court bought \$6,500 in top-of-the-line decorative accent pieces, including wooden vases and fruit bowls costing \$500 each. Here in Brasilia, Congress is spending \$1 million to build a moat around itself.

And the presidents of the House and Senate agreed to shower maximum benefits on the 594 lawmakers who will attend a special session to debate government cutbacks and tax increases, paying them \$47,000 for three months — a sum that the majority of Brazilian workers, making less than \$330 a month, would need at least 11 years to earn.

As the Brazilian government hoists the banner of austerity and finishes negotiations for an IMF-led standby loan, the gap between the government's calls for sacrifice and its spending practices

appears striking. Brazil is not the only country whose leaders spend lavishly on furnishings or perks, but some leading economists, like Paulo Rabello de Castro of the Rio de Janeiro-based Atlantic Institute, say that systematic government overspending is so serious here that it lies at the heart of Brazil's financial crisis.

An undisciplined government soaks up credit, they say, choking growth of the private sector.

A review of purchase orders from every branch of government, obtained by The New York Times from a mem-

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ber of the Brazilian Congress concerned about excessive spending, along with official budget figures and spending regulations, suggest that the government has taken minimal steps to control spending, despite the crisis that has been rolling toward this nation since last autumn, when the central bank doubled interest rates in reaction to the technique

of Thailand.

In category after category, government spending has gone up this year. The executive branch spent \$221.8 million on travel between January and August this year, compared with last year's \$206.6 million. Salaries and benefits in the federal judiciary were up 42.8 percent by this August over last, rising to \$4.7 billion from \$3.2 billion. Federal legislative branch salaries rose 10.6 percent, while those for the military jumped 20.3 percent.

At a time of tax increases and pension cutbacks, press reports of loose spending are drawing angry criticism.

"Investments are being cut," Sykia dos Santos Carneiro, a reader outraged at a report of government spending on travel, wrote to the Rio daily *Jornal do Brasil*. "Spending on health, education and other unimportant things is being cut. The country has lost its reason!"

Augusto Carvalho, an opposition

congressman and longtime watchdog of government waste, said senior officials should set an example of restraint for junior workers. The Congress itself, he noted, was appealing a recent court ruling against the \$47,000 special payment.

"If we're going to the IMF for \$30 billion, it's the Brazilian people who are co-signing that loan," Mr. Carvalho said. "The government shouldn't spend for anything that's not absolutely necessary."

Claudia Costim, the minister of administration and state reform, said the government needed to cut expenses and "moralize" them.

David Fleischer, a professor at the Federal University of Brasilia and the president of the Brazilian chapter of Transparency International, said that after October's national elections, the government cut the budget for auditing and tax collection, citing the need for austerity. He said such cuts were often a way of thanking major campaign donors, but Brazil could not afford such largesse now.

"It's not even shooting yourself in the foot," he said. "It's shooting yourself in the head."

Others have pointed out that the \$7 billion in budget cuts, announced as part of a \$23.5 billion austerity package recently, are not all based on actual savings, but on cuts to a pre-election budget for 1999. That budget counted on 4 percent economic growth, instead of the 1 percent shrinkage the government now forecasts for 1999.

In that vein, Supreme Court President Jose Celso de Mello Filho boasted of slashing 20 percent from the court's 1999 budget. But that was after initially raising it by 23 percent, he acknowledged.

Mr. Mello also said the \$38,000 in Persian carpets the court bought for its salons were necessary because visiting dignitaries frequently dropped in.

Cesar Borges, a spokesman for Mr. Mendonca de Barros, also said Persian carpets were justified at the Communications Ministry, since foreign visitors dropped in there.

## U.K. Ruling On Pinochet Is Postponed

Agence France-Presse

**LONDON** — The House of Lords on Thursday postponed its ruling on the fate of General Augusto Pinochet, the former Chilean leader, until an unspecified future date.

Lord Slynn, presiding on the panel of five senior judges, said at the end of the six-day hearing: "We will report our opinion to the House in due course."

He thanked the lawyers on both sides for their efforts in "this most important and very difficult case."

The judgment from Britain's highest court will determine if the former leader is to face extradition to Spain — where he faces charges of torture and murder — or can return to Chile a free man.

A ruling that upheld Pinochet's immunity would also invalidate moves for his extradition in Switzerland, which submitted a formal request Wednesday.

The judges have no time limit on their deliberations, but a British state prosecution lawyer involved in the case said the ruling could be made next week.

General Pinochet was arrested on Oct. 16 in London at the request of a Spanish investigating magistrate, who wants to try the former dictator for the murder of more than 3,000 political opponents and for torture.

### ■ France Requests Extradition

France officially requested the extradition of General Pinochet on Thursday, the Agence France-Presse reported from Paris.

The Justice Ministry said in a statement that legal documents requesting his extradition from London had been handed over to the Foreign Ministry on Thursday "to be immediately presented by France through diplomatic channels to the proper authorities in Britain."



Police guarding the House of Lords in London on Thursday amid displays protesting the Pinochet era. Prosecutors wrapped up their appeal of a ruling granting the former Chilean leader immunity.

## BRIEFLY

### 7 Abducted at Nigeria Oil Rig

**LAGOS** — Militant youths in southeast Nigeria have abducted seven foreigners and one Nigerian from a drilling rig used by Texaco Inc., an official of the U.S. company said Thursday.

In the attack Wednesday, the youths took away three Americans, one Briton, a Croatian, an Italian, a Nigerian and a South African from a drilling rig under contract to Texaco in the Choma field in Bayelsa State, part of the Niger Delta, the official, Yusuf N'jie, said.

The attackers, from the Foropah community, "came in boats, boarded and seized control of the rig then left with the hostages," he said. "There were no injuries and no damage was caused to the rig."

Mr. N'jie said those being held were all employed by oil services companies or as contractors and not directly by Texaco. The company did not know where the eight were being held. He added, "U.S. and company officials declined to identify any of those being held."

Industry sources said they believed the incident was linked to demands that Texaco pay compensation to the Foropah community over a recent oil spill.

**Zyuganov Assails Anti-Semitism**

**MOSCOW** — The leader of the Russian Communist Party, Gennadi Zyuganov, under fire for his failure to silence a parliamentary deputy's anti-Semitic remarks, said Thursday that he had told the Israeli ambassador in Moscow that his party deplored anti-Semitism.

Mr. Zyuganov said he told the envoy, Zvi Magen, that

remarks by a Communist member of Parliament, Albert Makashov — who has called Jews "bloodsuckers" and said they should be rounded up and jailed — were "inappropriate, lacking in self-control and incorrect," Interfax press agency reported. The Israeli Embassy was not immediately available to comment.

The remarks, which followed a less precise party statement by Zyuganov, were Mr. Zyuganov's clearest condemnation of anti-Semitism since his party helped block a measure in the State Duma lower house last week to censure Mr. Makashov.

**Puerto Rico Lawsuit Withdrawn**

**SAN JUAN, Puerto Rico** — An opposition party has withdrawn its lawsuit challenging a vote on possible statehood for Puerto Rico.

The Popular Democratic Party sued the administration of Governor Pedro Rosello in a local court, claiming the ballot was worded to favor statehood.

But the U.S. First Circuit Court of Appeals in Boston ruled Monday that the party's lawsuit belongs in a federal court.

Puerto Ricans are set to vote Dec. 13 for statehood, independence or a continued commonwealth. (AP)

### Swiss Tourist Killed in Mexico

**MEXICO CITY** — A Swiss tourist was killed when he attempted to videotape a train robbery in the northern border state of Chihuahua, the state police said. Ernest Schmidt, 68, was shot three times in the chest and head by the gunmen, who also wounded three other tourists.

(AP)

### In Will, 'Carlos' Urges Revenge

Agence France-Presse

**PARIS** — Jailed international terrorist "Carlos the Jackal," who

threw himself into the 10th day of a hunger strike, has left a will asking Islamic fighters to avenge him by executing Americans and

Zionists" should die.

A U.S. official said two of the beneficiaries were Pakistan and Iran, according to a report by The Associated Press. The U.S. officials, headed by Undersecretary of State John Holm, raised the concerns when they met with senior Chinese arms control and military officials during a day and a half of meetings meant to encourage China to join the Missile Technology Control Regime.

In 1980, Ronald Reagan — a conservative — proved that a candidate who had been divorced could still become president, breaking a barrier that had blocked earlier candidates such as Nelson Rockefeller. Incredulous conservatives are now worried that the public's hostile reaction to the investigation by the independent counsel, Kenneth Starr, of Mr. Clinton's relationship with Monica Lewinsky may have pushed other moral standards, including marital fidelity, off the table.

For some Republicans and conservative interest-group leaders, the election raised nagging doubts about the political viability of social-issue conservatism. In private, some Republican operatives acknowledge that if the country is becoming more tolerant on moral issues, including sexual infidelity, it could mean trouble for Republican presidential candidates planning on making a call for a moral revival the centerpiece of their campaigns. Those possible candidates include Senator John Ashcroft of Missouri, former Vice President Dan Quayle and Malcolm Forbes.

Capturing the Republican nomination may well involve appealing to a generally conservative primary electorate hungry for denunciations of President Bill Clinton's sexual activities, but emphasis on moral issues could alienate general election voters, many of whom see the Republican focus on the Clinton scandal as an intrusion into private moral questions.

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Whit Ayres, an Atlanta-based Republican polisher who saw two South Carolina clients with ties to the religious right, Governor David Beasley and a Senate nominee, Bob Inglis, take a beating, said the libertarian instincts of American voters might be gaining strength.

There are two competing strains in the United States, said Mr. Ayres: religious conservatism and, on the other hand, a libertarian strain: "I can determine for myself right and wrong and I certainly don't need politicians determining that for me."

These two strains "coexist side by side, but we are seeing a resurrection of that libertarian strain," he said. Mr. Ayres said he was not sure, but the voters might be undergoing a process of "defining morality down."

"Let's at least admit to entertain that hypothesis," he said.

Mr. Ayres noted that one of his own clients, Michael Bowers, a former Georgia attorney general, almost forced a runoff in the state's Republican gubernatorial primary, even though he admitted to a long-term affair.

James Dobson, head of Focus on the Family and a powerful voice of the right, fears the electorate may have crossed a dangerous moral tipping point.

Citing the voters' unwillingness to voice disapproval of Mr. Clinton at the ballot box, the defeat of a host of Re-

## INTERNATIONAL

**Even as the Aral Sea Dies, a Dike Revives Hope for a Sandy Corner**

By Daniel Williams

*Washington Post Service*

ARALSK, Kazakhstan — Monuments to one of history's severest man-made ecological disasters stand out in sad relief on the coast of what used to be the Aral Sea.

Ships and fishing boats rust on the bottom of dry harbors from which they once plied placid waters. Empty delta tributaries of the Syr Darya River attest to how the rivers that fed the sea have been mortally bled by intensive irrigation projects upstream.

A cemetery at the fishing village of Kareshalan formerly looked out over reed-filled ponds. Now, salt flats the color of bleached bone provide the vista.

Yet, in the middle of all this — in fact, in the middle of the Aral Sea — stand

the strangest sights of all. Trucks and bulldozers feverishly tote sand to an eight-mile-long dike designed to save a piece of the sea and bring some life back to a moribund neighborhood.

The Aral Sea saga is reaching a curious climax in Kazakhstan, which dreams of oil riches but suffers ecological nightmares from its Soviet past. The new dike is meant to permanently separate the Aral's north basin, which is nourished by the Syr Darya River, from the far larger southern section, which was fed by the nearly defunct Amu Darya River in Uzbekistan.

Promoters of the project acknowledge that by damming up the north branch, they condemn the wider lake to accelerated evaporation. But better the survival of the Little Sea, as they call it, than nothing. The Aral Sea is dead. Long live the Little Aral Sea.



MAID TO ORDER — A Warsaw woman cleaning the red carpet at the last minute as a Polish honor guard awaited the arrival of Prime Minister Mikulas Dzurinda of Slovakia on his visit Thursday.

The project effectively rejects the notion of saving the whole sea, a war cry of environmental groups around the world. But it is also a reaction to a decade of expressions of concern from officialdom, publicity campaigns, studies and conferences that brought precious little relief.

Kazakhstan's 17 million people are spread across a sprawling territory that touches Russia, China and a cluster of smaller Central Asian nations to the south. It holds potentially large petroleum reserves that, along with nearby Azerbaijan, have made it a magnet for oil companies and Western governments eager to make lucrative exploration deals.

But along with several former Soviet states, it bears a legacy of gross environmental misreatment. Ukraine and Belarus share the tragedy of the Chernobyl nuclear power explosion. The Baltic states grapple with dirty rivers. Azerbaijan suffers from industrial and oil pollution. And Turkmenistan and Uzbekistan live with poisons from pesticides used to protect Soviet-era cotton fields.

In all, money for cleanup is scarce; aid from rich nations has been inadequate to undo the damage.

Beginning in the 1960s, Soviet planners decided that the Soviet Union must be self-sufficient in cotton. The decision doomed the Aral Sea.

Canals began to suck water from the Syr Darya and Amu Darya rivers, and therefore from the sea itself, for fields mostly in Uzbekistan and Turkmenistan. At the time, the Aral Sea was a lake smaller in size only to the Caspian Sea, Lake Superior and Lake Victoria. Over the years, the Aral's surface area shrank by half, its water volume by three-quarters. The blotted shoreline became a source of poisonous salts and pesticides blown by unforgiving steppe winds across villages and towns throughout the region. Water tables dropped, and poor farmers and city dwellers alike were forced to rely on either brackish wells or tank trucks from afar for drinking water.

Soviet engineers knew that massive irrigation to produce cotton in Uzbekistan and Turkmenistan eventually would deplete the sea. They even concocted a replenishment plan to divert water from Siberian rivers into it. Mikhail Gorbachev, then the Soviet president, dropped the project.

In any case, now that Uzbekistan and Turkmenistan are independent states, what central planning created is in no danger of being undone by uncoordinated governments. The cotton countries need the crops for export. No one here thinks that the intricate and wasteful system of canals and reservoirs is ever going to be modernized or plugged up, even though about half of the diverted water evaporates or sinks into sand.

So the dike project is an effort filled with irony: a small, underfunded and perhaps vain engineering feat meant to correct, in a small way, destruction wrought by a huge and careless irrigation scheme that altered the face of Central Asia. It may seem to outsiders a labor of meager consolation, but for residents who live on the desolate shores of the Little Sea, the dike offers hope, a commodity as rare here as rainfall.

Camel herders, shepherds, rice farmers and former fishermen talk of the microclimatic change they expect. "We have enough desert. We will get moisture. Anything will be better than it is now. Fill the Little Sea," said Teleo Kurmuza, a camel breeder in the delta.

The dike is the brainchild of Alesh Avdigaevich, mayor of Aralsk. He is a rangy shoe-factory-owner-turned-Moses who thinks that parting the seas will revive fishing and sea traffic at his doorstep. "We took a decision," he said in an unapologetic interview. "We can't save the whole Aral Sea. We can save the Little Sea, and at least revive our farming, our fishing and our lives.

"Lots of researchers say that don't do this, don't do that," Mr. Avdigaevich said. "Well, you don't need a lot of brains to see what ought to be done." He pulled out a pitcher of water, a tea cup and a platter. The pitcher was the river, the cup, the Little Sea, and the platter was

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If the disaster on Kazakhstan's western frontier was not enough, the country's eastern region suffers from the painful aftereffects of Soviet nuclear tests. In the Semey region, once the epicenter of Soviet testing, a third of all children are born with birth defects. Cancer deaths increased sevenfold during the 1980s. Half the population suffers from immune system deficiencies.

In between these toxic bookends, Kazakhstan remains a kind of Russian shooting gallery. The Russian military launches missiles and other weapons from rented bases onto ranges that extend to the middle of the country. Discarded fuel and stages of missiles fired from Russia's Baikonur space launch center, just to the east of the Aral Sea, beset the landscape all the way to the northeast border. Opposition members of Parliament have campaigned to close all the Russian bases, but without success. Rental income from Russia brings Kazakhstan needed cash. And revenue from oil exploration near the Caspian Sea is still years away.

Actually finding the sea — Big or Little — is not easy. A trip from Aralsk to the dike constitutes a journey back in time. After driving south along a bumpy, two-lane paved road, you travel west on dirt surfaces that soon turn into trails of crushed bush and sand; brick houses give way to homes of mud and reed. Forlorn landmarks point the way — two marooned fishing boats at the village of Bugun; the beachless cemetery at Kareshalan; dry irrigation ditches, hollow ponds and dunes at Karategan. Everyone laughs when you ask where the Aral Sea is. "Fifty kilometers that way," said an old, bearded man. Karategan as he flicked his cigarette toward the setting sun. "Or it might be farther, who knows?"

You must drive onto the Aral seabed to get to the dike. A couple of decades ago, your jeep would be underwater. Don't be fooled by the flat terrain: Holes full of sand and the consistency of talcum powder devour the flattest tires. The driver adds to the drama by narrating the dangers: "If we get stuck here, we're finished. Even camels don't come around."

## rest of the Aral.

"I can fill this cup easily. But if I let the water spill into the platter, the water there evaporates quickly. The cup empties. It's elementary. We must keep the cup full," he said.

His Aralsk was once a seaport. You could call it a dry port now. The sea receded 30 miles from the shore. A crumbling promenade and railings decorated with metal salboats and gulls frame a dusty basin littered with cor-rod boats.

Kazakh desperation to do something about the Aral Sea is understandable. Few countries are afflicted by worse ecological ills than Kazakhstan. Researchers blame exposure to agrochemical wastes from the Aral seabed for a high incidence of anemia, stillbirths, and eye and lung disease among its 16 million people. "This is a liquid Chernobyl," said Lydia Astanina, editor of "Greenwoman," an ecological newsletter in Almaty, the capital.

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Camel herders, shepherds, rice farmers and former fishermen talk of the microclimatic change they expect. "We have enough desert. We will get moisture. Anything will be better than it is now. Fill the Little Sea," said Teleo Kurmuza, a camel breeder in the delta.

The dike is the brainchild of Alesh Avdigaevich, mayor of Aralsk. He is a rangy shoe-factory-owner-turned-Moses who thinks that parting the seas will revive fishing and sea traffic at his doorstep. "We took a decision," he said in an unapologetic interview. "We can't save the whole Aral Sea. We can save the Little Sea, and at least revive our farming, our fishing and our lives.

"Lots of researchers say that don't do this, don't do that," Mr. Avdigaevich said. "Well, you don't need a lot of brains to see what ought to be done." He pulled out a pitcher of water, a tea cup and a platter. The pitcher was the river, the cup, the Little Sea, and the platter was

irrigation to produce cotton in Uzbekistan and Turkmenistan eventually would deplete the sea. They even concocted a replenishment plan to divert water from Siberian rivers into it. Mikhail Gorbachev, then the Soviet president, dropped the project.

If the disaster on Kazakhstan's western frontier was not enough, the country's eastern region suffers from the painful aftereffects of Soviet nuclear tests. In the Semey region, once the epicenter of Soviet testing, a third of all children are born with birth defects. Cancer deaths increased sevenfold during the 1980s. Half the population suffers from immune system deficiencies.

In between these toxic bookends, Kazakhstan remains a kind of Russian shooting gallery. The Russian military launches missiles and other weapons from rented bases onto ranges that extend to the middle of the country. Discarded fuel and stages of missiles fired from Russia's Baikonur space launch center, just to the east of the Aral Sea, beset the landscape all the way to the northeast border. Opposition members of Parliament have campaigned to close all the Russian bases, but without success. Rental income from Russia brings Kazakhstan needed cash. And revenue from oil exploration near the Caspian Sea is still years away.

Actually finding the sea — Big or Little — is not easy. A trip from Aralsk to the dike constitutes a journey back in time. After driving south along a bumpy, two-lane paved road, you travel west on dirt surfaces that soon turn into trails of crushed bush and sand; brick houses give way to homes of mud and reed. Forlorn landmarks point the way — two marooned fishing boats at the village of Bugun; the beachless cemetery at Kareshalan; dry irrigation ditches, hollow ponds and dunes at Karategan. Everyone laughs when you ask where the Aral Sea is. "Fifty kilometers that way," said an old, bearded man. Karategan as he flicked his cigarette toward the setting sun. "Or it might be farther, who knows?"

You must drive onto the Aral seabed to get to the dike. A couple of decades ago, your jeep would be underwater. Don't be fooled by the flat terrain: Holes full of sand and the consistency of talcum powder devour the flattest tires. The driver adds to the drama by narrating the dangers: "If we get stuck here, we're finished. Even camels don't come around."

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## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Watch Clinton in Malaysia

President Bill Clinton is scheduled to visit Malaysia next week, just as that nation's leader is disgracing himself with a craven crackdown on peaceful opponents. Mr. Clinton is right to go, if events in Iraq do not preclude presidential travel. The occasion is an annual meeting of Asian and North and Latin American heads of state for which Malaysia just happens to be host this year.

But Mr. Clinton should make sure that his visit cannot be seen as an endorsement of President Mahathir bin Mohamad. On the contrary, Mr. Clinton and his team should show Malaysia that they are on the side of democracy and human rights.

The most sensational aspect of Mr. Mahathir's crackdown is the persecution of his one-time protege and former finance minister, Anwar Ibrahim. When Mr. Anwar objected to his president's handling of the continuing financial crisis, including his loud scapegoating of Jews and other outsiders, he found himself arrested on charges of corruption and homosexual activity, a crime under Malaysian law.

Outsiders may not be able to fairly judge the validity of all the charges. But it is fair to note that two key witnesses have now recanted their confessions, saying they were given under duress; that Mr. Anwar himself was beaten unconscious in police custody; and that the government's chief wit-

—THE WASHINGTON POST

ness, a top police official, has admitted on the witness stand that he concluded some time ago that charges against Mr. Anwar were baseless smears.

Malaysians have rallied to Mr. Anwar's defense — and more broadly to the cause of political reform — as never before in Mr. Mahathir's 17 years of authoritarian rule. In response, Mr. Mahathir has lashed out at his own people. Malaysia already was a country where more than five people could not gather without a permit and where police could detain anyone without trial. Now, to discourage demonstrations, the government has threatened to expel students from university, to fire civil servants and — in what may be a new low for dictators — to seize children from parents who demonstrate.

Remarkably, none of this has squelched the protest movement. Malaysians continue to seek to assemble peacefully. Though the government controls most media, people find ways to spread real news, especially via the Internet. That means that Mr. Clinton's words and actions will be closely scrutinized. His decision to avoid a one-on-one meeting with his host is a welcome first step. Other heads of state have said they will seek to meet with Mr. Anwar or his embattled wife. Mr. Clinton similarly should find ways to demonstrate his support for a rule of law.

—THE WASHINGTON POST

## Israel's Conditional Yes

It was no small achievement for Prime Minister Benjamin Netanyahu to obtain Israeli cabinet approval of the Maryland peace agreement with the Palestinians. But the decision was hedged with unnecessary and disruptive conditions.

In nine days of hard bargaining at Wye Mills, Maryland, last month, Mr. Netanyahu won agreement to all the terms he then considered necessary to ensure that the Palestinians lived up to their obligations to combat terrorism. Israel got an American-monitored security plan. It won a hard commitment from the Palestinian leader, Yasser Arafat, to eliminate all references to Israel's destruction from the Palestinian national charter. Since the peace conference, Israel has seen Mr. Arafat's Palestinian Authority crack down hard on Hamas terrorism after two abortive attacks.

Yet for internal political reasons, Mr. Netanyahu delayed cabinet ratification of the agreement and then attached a series of complicating conditions. These include spelling out the internal procedures the Palestinians must use to revise their charter and a declaration that Israel will annex parts of the West Bank if the Palestinians declare an independent state next May. The essential terms for changing the charter were agreed to by both sides in Maryland.

—THE NEW YORK TIMES

## Defusing Asia's Bombs

The United States is struggling to limit the damage done to nuclear non-proliferation by India's and Pakistan's tests. Prompted by Washington, the two countries have accepted a voluntary test ban and committed to the test-ban treaty. Joined talks on a fissile materials ban, resumed dialogue on disputed Kashmir and opened direct nuclear talks. In return, President Bill Clinton is lifting most of the economic and military-training (not military-supply) sanctions he imposed after the underground explosions last May.

From this point on, however, tough negotiations get tougher. The problem starts with India. Pakistan is testing, was only playing catch-up against its larger and more powerful regional rival. Its bomb was security-driven. Left to itself, it would not have tested.

But India's bomb is more status-driven. Its definition of its security and strategic interests is grander and more resistant to the nuclear restraints the United States is attempting to impose. These restraints involve limits on India's and Pakistan's next-stage passage from tests to weapons, and denial to the South Asians of the high status of being formally regarded in the non-proliferation treaty as a declared nuclear power.

The immediate question is whether either India or Pakistan, having built a bomb, will forgo the extra steps needed to deliver it. The answer is different for the two. For Pakistan, the requirement is an alternative means of security other

—Los Angeles Times

## Other Comment

## The Impeachment Swamp

"God, I'd like to forget all this," the chairman of the House Judiciary Committee, Henry J. Hyde, Republican of Illinois, blurted out Monday. It was a kind of political primal scream from an experienced legislator who can see that the impeachment process, even though it appears headed for a dead end, could drag his fractious committee through a very smelly swamp before it gets there.

—Los Angeles Times

## Herald Tribune

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## For High-Return Investment, Aid the Right Nations

By Joseph Stiglitz

WASHINGTON — Foreign aid is at an all-time low. More than 50 years after the Marshall Plan, development assistance has shrunk to less than a quarter of one percent of major donors' gross national product, the smallest share ever. Among the reasons for this drop, one stands out: the pervasive assumption, especially among some policymakers, that aid does not work very well.

It is true that aid has been an unmitigated failure under some conditions, but it has also been a spectacular success in others.

A new World Bank research report, "Assessing Aid," released in Paris and London on Tuesday, shows why aid works well, for example, in Bolivia or Uganda, but has little or no impact in Nigeria or Zambia.

Rather than starting with the question, "Does aid work?" the report begins with the question, "When does aid work best?" The answer is needed urgently. Despite great strides in poverty reduction in the last 50 years, more than a billion people still live in extreme poverty on less than \$1 a day. Even more people lack basic services such as clean water, sanitation, electricity and schooling.

The focus on the circumstances under which aid works changes the nature of the debate over foreign aid. Rather than arguing for more aid or less aid, the report suggests that donors should concentrate on promoting effective assistance while scaling back less beneficial activity.

At the same time that our aid budgets have diminished, our aspirations have

expanded. Fifty years ago, development focused on only one objective: increasing GDP. Today, we seek to increase living standards, improve health and education, and maintain a healthy environment. We also want development to be equitable and democratic, so that all of society can take part in decision-making and all groups can reap the fruits of progress.

"Assessing Aid" finds that foreign assistance has the strongest impact on growth in developing countries with sound policies and institutions — macroeconomic stability, openness to trade, secure property rights and absence of corruption. To name a few important ones.

In countries with poor policies — that is, with poor incentives for production — financial aid has a much weaker impact.

To maximize poverty reduction, financial aid should favor countries such as India, Ethiopia and Uganda, which are poor but have sound economic policies. Since nearly 75 percent of the world's poor live in countries with sound policy environments, targeting assistance to these countries would have a tremendous impact on world poverty.

Yet in 1996, the most recent year for which figures are available, donors gave only small amounts of assistance to countries with good policies. Strong reform nations received less aid per capita than poor countries with weak policies.

Increasing aid to countries that can

use it effectively has very real consequences for the poor. For example, allocating \$10 billion in aid under a weak system might lift about 7 million people out of poverty each year. But if the same amount of money were targeted to poor countries with sound economic policies, the number of people to leave the ranks of the poor would more than triple, to about 23 million. In good policy environments, aid is a high-return investment.

So why don't countries end foreign aid to poor countries with bad policies? One reason is that donors hope their aid will induce policy reform. Unfortunately, money itself has proved to be quite ineffective in generating reform.

Zambia is a typical example. Foreign aid increased steadily, reaching 11 percent of Zambia's GDP in the early 1990s, after adjustment for inflation. Policy, however, got worse throughout this period. Despite a series of loans from the World Bank and the International Monetary Fund, there was no substantial improvement in policy until a new government came to power in 1990s.

There is a great deal the donor community can do to help the poor and spur reform. In difficult environments, effective assistance must encompass more than just money or projects. It must also focus on ideas or the creation of knowledge. This side of aid is critical for helping countries reform and communities provide public services, such as education, health, and water, most effectively.

Vietnam is an example of how ideas can sometimes work better than money when it comes to generating reform.

Vietnam had poor policies in the mid-1980s and was receiving only a small amount of aid from Western donors, less than 1 percent of GDP.

It initiated a homegrown reform program in the late 1980s, and — with fits and starts — instituted policy innovations that improved incentives for growth. While donors provided very little money in this period, they helped on the "ideas" side. Sweden and the United Nations Development Program provided training and technical assistance; the World Bank gave policy advice.

By 1992, Vietnam's policy environment had improved dramatically, and large-scale financial assistance from donors began to flow in. As a result, Vietnam's poverty rate fell from 55 percent of households in 1992-93 to just 30 percent of households in 1998.

Vietnam's experience is part of a worldwide trend in the 1990s toward economic reform that has enabled a large number of countries to use financial assistance to reduce poverty. It is ironic and tragic that the volume of aid is declining just when the environment for effective aid is improving.

Aid cannot accomplish goals by itself. But when used to champion reform at the local and national level, create the knowledge necessary for effective development, and engage civil society in the reform process, it can dramatically improve the lives of the poor.

The writer, senior vice president and chief economist of the World Bank in Washington, contributed this comment to the International Herald Tribune.

## Strong U.S. Presidency Can Make a Difference in Asia

By Tom Plate

LOS ANGELES — Asia, like Bill Clinton, did well last week. For the American people did more than put up a stop sign in front of a Republican Party recklessly eager to impeach the U.S. president. With nationwide election results that were anything but a resounding Republican endorsement, Americans resuscitated their president's ability to play the role of world leader.

As Mr. Clinton heads for Asia this weekend on a long-planned trip, he will find a region scarcely at ease. Territorial disputes simmer below the surface. Tensions in Indonesia and Malaysia have Singapore's nerves on edge. India's nuclear play has left the subcontinent in tumult. Although Mr. Clinton's itinerary excludes the Indian subcontinent, Asia will take as much of the politically reborn Mr. Clinton as it can get.

As the Korea Herald editorialized last week: "By skirting the danger of being forced out of office, Clinton will be able to restore his leadership. This will be an encouraging development for many countries

that rely on U.S. leadership to tackle numerous global problems, including the sweeping financial crisis."

The Business Times in Singapore wrote: "The American voters have shown maturity in refusing to give the Republicans the green light they needed to continue focusing the entire nation's attention on the sex and political scandal that has dominated Washington for months on end."

The first overseas test of Mr. Clinton's new muscle will not be long in coming. Next week in Malaysia, the leaders of the Asia-Pacific Economic Cooperation forum convene for their sixth annual summit meeting.

They will be watching Mr. Clinton navigate in a country where the former deputy prime minister and finance minister, Anwar Ibrahim, a champion of good relations with the West, stands trial and where the man who threw him in jail, Prime Minister Mahathir bin Mohamad, has erected a new economic iron curtain to ward off

globalization. Mr. Clinton might have spurned the high-profile APEC get-together altogether. Fortunately, he didn't — just as in June he rightly ignored congressional pressures to cancel his trip to China because of its treatment of political dissidents.

The Anwar controversy aside, serious trade quarrels may erupt at APEC. Japan is raising new objections to the reduction of some trade barriers in economic sectors it sees as vulnerable to foreign competition.

That controversy may follow Mr. Clinton to his next stop, Tokyo, where he will find the Japanese establishment, despite the polite veneer, uninterested and introspective. In a recent speech to a foreign affairs group in Wyoming, the Japanese Embassy press spokesman, Kazuo Kodama, painted a candid picture of a society in the midst of reassessment. "It is clear in retrospect that Japan made mistakes. It failed to brace for the coming waves of globalization in which market forces play a deciding role in the internation-

al competition of goods and services, especially financial ones. There is no denying that while others were working hard to prepare for the coming winter, Japan was basking in the glory of what we thought was a never-ending summer."

Mr. Clinton should find the conversation a little more convivial in South Korea and Japan, his next stop after Tokyo.

South is further along on the self-examination road than Tokyo. President Kim Da Jung is a convert to the inevitability of the forces now raging across borders, a process he terms "universal globalization."

Narrow nationalism is outmoded and parochial protectionism is suicidal, he says: "Even the smallest Korean rural village will have to compete with farmers across the globe. A small factory in a back alley in Korea will have to engage in competition with the same types of plants in every corner of the world."

Mr. Kim has called for an end to the buy-Korean-only nonsense that has typified emotional Korean nationalism at its most

parochial. When has any leader of South Korea ever spoken so plainly to his countrymen?

A strong U.S. presidency is a necessary element of world stability as economic systems undergo these huge shifts. The election results last week helped revive the White House in a way that could prove viral to key allies like South Korea and Japan.

It is also important to non-allies like China, which benefits from a president with the strength to lead public opinion in support of Chinese-American engagement, and India, whose nuclear test program scuttled a planned Clinton trip there.

But as Mr. Clinton's decisions to visit Malaysia this weekend and China last June attest, much can be gained when the president himself shows up to wave the American flag. And in India, no less than in China, engagement will produce more than isolation. Mr. Clinton would cap his Asia trip in triumph if he were to add New Delhi to his itinerary in a dramatic last-minute gesture.

Los Angeles Times

## Saddam's Strategy Is to Make Good Use of Clinton's

By William Safire

FORGET the fascination with America's semiannual military buildup in the Gulf to persuade Saddam Hussein "this time we're really, really serious." That point has been made with the United Nations' evacuation of employees it does not want to be chased to suspected anthrax storage sites.

Focus instead on the strategy of both sides. The Clinton strategy up to now has been to go along with UN appeasement of Saddam to such an extent that even the French got sick of sustained humiliation. The American door-mat approach — though it has enabled Iraq to secretly to steal a march on building terror weapons — is now being presented as having brilliantly "unified our allies."

Having been dared by Saddam to launch air strikes, President Bill Clinton has four strategic options:

One is to do nothing, become the world's laughingstock, and watch the United Nations go the

way of the impotent League of Nations. Another is to remove Saddam's threat by a second invasion, this time setting up a democratic government in Iraq as America did in 1945 in Germany and Japan. Neither of these options is being considered by this White House.

Instead, we have strategic choice No. 3: "300 pinpricks" to exhibit Washington's extreme irritation. Cruise missiles launched from sea for a couple of weeks, accompanied by film showing the uncanny smartness of U.S. munitions, would be followed by America's unilateral declaration of "mission accomplished" and a promise to any

Iranian who dares to shoot down an American plane.

What is that goal? And could the incipient aerial punishment help Saddam achieve it?

First, it is to endure and survive. Because the U.S. mission

is limited to punishing but not ending his regime, Saddam is convinced he can absorb the heaviest air attacks with personal impunity. Nor is the United States likely to knock out all his hidden germ, gas and nuclear weapons potential.

Second, counterattack with his people's suffering. He will invite television crews to cover collateral damage to civilians. If necessary, he can set off bombs in children's hospitals and orphanages himself. Flinched atrocity will not only afflict the Americans with self-disgust but bring about an alliance with Iran, which will soon be able to swap its long-range missiles for his warheads.

Finally, make a deal with the United Nations for limited access by non-American inspectors. Mr. Clinton — branded "baby killer" by Iraqi propagandists — is unlikely to resist, especially if American bombers or helicopters crash or terrorists take allied lives. This will enable Saddam's weapons development to go forward in secrecy

while sanctions are lifted. Within two years, Iraqi oil production will finance purchase of fissile material and missiles.

Although Saddam miscalculated wildly a decade ago, his current strategy takes full advantage of Mr. Clinton's expected decision to wage limited air war with its modest compliance aim. So long as the U.S. purpose is only to "degrade" facilities rather than to replace an aggressive regime, the strategic advantage is his.

His ultimate purpose is to credibly bluff the West into letting him dominate his part of the world. In 2002, he moves on to Saudi Arabia; America threatens to invade Iraq; Saddam announces he is ready to risk national suicide by firing a nuclear missile at the United States.

The United States has no missile defense. Does a prudent president let him grab those oil fields, or will Mr. Clinton's successor be forced to gamble a U.S. city on the hope that a homicidal maniac is only bluffing









"DESTINATION GREECE: DOORWAY TO MONASTERIES" was produced in its entirety by the Advertising Department of the International Herald Tribune.  
WRITER: John Rigos in Athens.  
PROGRAM DIRECTOR: Bill Maher.

## DESTINATION GREECE DOORWAY TO MONASTERIES

### MOUNT ATHOS: A THOUSAND YEARS OF FAITH

*From the age of Byzantium to the modern era, the history of Mount Athos — the Holy Mountain — mirrors that of Greece itself.*

In 1963, the late Greek Orthodox Ecumenical Patriarch Athenagoras went to Mount Athos, a long narrow peninsula in Northern Greece, to celebrate the 1,000th anniversary of the first major monastic establishment on the Holy Mountain, founded by Saint Athanasios the Athonite.

By Athanasios's time, Mount Athos was already a favorite retreat for monks seeking an isolated place for meditation and prayer. Monks from Athos's early monastic community participated in the Council of 843 convened by Empress Theodora of Byzantium.

It was not until 963, however, that Athanasios, friend and confessor of Emperor Nikephoros Phokas, founded the famous monastery of the Great Lavra with funds provided by the emperor himself. Later emperors also supported the monasteries, granting them autonomy and self-government and banning women from their grounds.

Last month, the current Ecumenical Patriarch Bartholomeos sailed from Istanbul to Mount Athos to officiate at the ceremonies marking the 1,000th anniversary of the Xenofonti monastery, founded in 998 by a monk named Xenofon. Greek Prime Minister Costas Simitis and several members of his cabinet, Governor Stavros Psycharis of Mount Athos, Archbishop Christodoulos of Greece and other religious dignitaries participated in the celebration.

In 1963, the monastic state of Mount Athos seemed to have completed its life cycle.

but 1998 finds it not only surviving but flourishing. In 1963, writes George I. Mantzaridis, a specialist on monastic life in Greece, "the numbers of monks had fallen considerably and their average age was over 55."

This was not the first time in its history that Mount Athos had shown signs of decline. Raided by the Crusaders who captured Constantinople in 1204, it was sacked by Catalan mercenaries of the Byzantine emperors 50 years later and passed under the Ottoman yoke after the fall of Constantinople to the Turks in 1451.

Sultan Murat II, who captured Thessalonica, and Sultan Mohamed II, the conqueror of Constantinople, recognized the Athos monasteries' status and confirmed their independence with official *firmans*, as Ottoman laws were called. The *firmans* referred to Athos as "the country in which day and night the name of God is revered" and as "a refuge for the needy and for travelers."

Starting in the 12th century, monks from Serbia, Bulgaria and Romania also flocked to Mount Athos.

During the first centuries of the Ottoman occupation, the heavy taxation imposed by the Ottomans and the confiscation of the monasteries' estates created an economic crisis that led to the depopulation of Athos.

During this period, the monasteries benefited from other new protectors and supporters: Russian czars and Hungarian and Romanian princes.

In the late 17th and 18th

centuries, Mount Athos became not only the spiritual but also the educational center of Greece, with scholars and intellectuals turning its monasteries into educational institutions.

The best-known school on Mount Athos was the Athonite Academy near the monastery of Vatopedi.

It attracted famous teachers like Eugenios Voulgaris, Athanassios Paros and Thomas Aitolos, who through their teachings prepared the nation for its rebirth. Kosmas Laviotis, a monk at the Great Lavra monastery, set up the first printing press in Greece there.

During the Greek War of Independence (1821), Mount Athos was almost abandoned by its monks, many of whom left to join the fight for freedom. Those who remained were persecuted for harboring patriots.

**Center of culture**  
Following Greek independence, Athos underwent a period of development during the late 19th century, when almost 20,000 monks filled its monasteries and other establishments. This was followed by a period of decline that began just after World War I and ended only in the 1970s.

"A curious change started at this period in the 'Garden of the Virgin,' as the monks call Mount Athos," writes Mr. Mantzaridis. After a half century of constant decline, the monks on Athos numbered 1,145 in 1971. A year later, one more monk arrived, and as the years went by, more followed.

By 1996, 1,036 new

monks had joined the old-timers. Significantly, most of the new monks were young and well-educated.

"The number of monks on Mount Athos is rising in inverse proportion to their average age, because almost all the recent arrivals are young men," writes Mr. Mantzaridis.

"Most of the monks today are aged between 31 and 40." In addition, 343 monks (27 percent) have university degrees.

"What is encouraging is that young men dedicate themselves to monastic life and to the survival of the religious and national traditions," says Father Ioannis, chief secretary of the Holy Assembly, which runs the affairs of the monastic state. He connects the higher level of education of the new monks to the improvement of educational standards in Greece.

**Today, there are 20 large monasteries and their dependencies: 12 smaller monasteries known as 'sketes,' as well as several 'kellia' or small huts, where one to three monks live in complete isolation.**

The monasteries are governed by the Holy Community, which consists of representatives of the 20 monasteries, but executive authority is exercised by a committee of four overseers, elected from the Holy Community and called the Holy "Epistasia." The governing body of the monastic state is based in Karyes, a small monastic village that acts as the capital of the state. Karyes is also the seat of the civil governor of Mount Athos, who is appointed by

the Greek government and reports to the Ministry of Foreign Affairs. The Greek government is also responsible for order and security.

Both Greek and foreign visitors have to obtain a permit from the Ministry of Foreign Affairs or the Ministry of Macedonia and Thrace to enter Athos.

Greece's accession to the European Union has naturally posed some questions concerning the unique way of life on the Holy Mountain. These were resolved when Greece and the other member-states signed a common declaration to safeguard the distinctive nature and legal status of Mount Athos.

Feaverish rebuilding is now taking place on Athos. The monastery buildings are rapidly being restored, though this is proving to be a source of distraction and apprehension for the monks. They are disturbed by the large numbers of pilgrims and visitors who arrive almost all year round and the road-building activities, which are taking a toll on the pace and way of life on Mount Athos.

The work needs to be done, however, because the monasteries shelter treasures of inestimable value and the good condition of the buildings that house them is essential.

Following World War II, proposals were made to transform Athos into a national monument, cared for by the tourist authorities. The renewal of the monastic tradition has prevented this and is pointing the way to a new era of monasticism in the "Garden of the Virgin."

# GREECE: VOTED BEST MEDITATION RETREAT in the World



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# Russia to Allow Half Of Its Banks to Fail

Compiled by Our Staff From Dispatches

MOSCOW — The Russian central bank said Thursday it would allow almost half of the country's commercial banks to fail after the government's default on its Treasury debt in August deprived them of a key asset.

The central bank said 720 of the estimated 1,500 Russian banks would be allowed to fail, representing 34 percent of the assets in the entire banking system and 32 percent of all deposits.

The government would need 141 billion rubles (\$9.06 billion) to save all the banks, said Andrei Kozlov, first deputy chairman of the central bank.

"We clearly do not have this money," Mr. Kozlov told the Budget Committee of the lower house of Parliament. "A program is being proposed that would not mean saving all banks."

The Russian economy has struggled since the government devalued the ruble in August and defaulted on its debts.

Finance Minister Mikhail Zadornov said Moscow expected the ruble to lose a further 24 percent of its value against the dollar in the coming year, which would mean a dollar value of 20 to 21 rubles. The dollar rose to 15.58 rubles Thursday from 15.56 rubles Wednesday. It was at 6.20 rubles in August.

The ruble rate "will depend a lot on the rate of inflation," Mr. Zadornov said after a session of the lower house of Parliament. "We can't give the exact budget parameters yet because we aren't yet done negotiating our internal debt."

Russia had pinned its hopes on an aid package led by the International Monetary Fund. But disbursement of the loans was halted after Russia defaulted on its debt. Some relief came Thursday from Prime Minister Keizo Obuchi of Japan, who pledged \$100 million in aid and advice to Russian industry during a visit to Moscow.

The aid will include technical assistance to Russian companies, advice on seeking financing and "co-operation in integrating Russia into the world economic system," according to a statement issued during the meetings between Mr. Obuchi and Russian officials.

Japan also pledged Wednesday to

release the next \$800 million installment of a \$1.5 billion loan to Russia as soon as possible.

The IMF said it wanted to see the Russian government's 1999 budget before it would consider paying the next \$4.3 billion installment of \$22.6 billion in IMF-led loans. Completing the budget also requires reaching agreement with creditors on restructuring 281 billion rubles of defaulted government debt. Until an agreement is reached, the government will not be able to calculate its cost for servicing debt next year.

The central bank said Thursday that Russia would not be able to pay all its foreign debt obligations next year.

Russian banks have been strapped for funds since the government's default on the Treasury bills and bonds, which comprised about a quarter of all the banks' assets.

The central bank will put its plan for rescuing the banking system into action next week, Mr. Kozlov said. Though its board of directors has yet to approve the plan, the central bank already has funded out 14 billion rubles in emergency loans to 10 commercial banks, he said.

Mr. Kozlov would not say how much the government would have to spend to rescue salvageable banks, saying only that the government would try to keep the cost to a "minimum."

The banks the central bank considers worth saving need \$4 billion rubles to begin operating properly, he said. But not all of those banks will get loans, he added.

(Bloomberg, Reuters)



Keizo Obuchi meeting Thursday with President Boris Yeltsin in Moscow. The Japanese prime minister pledged \$100 million in aid.

## MCI Breakup Aids BT Profit

Agence France-Presse

LONDON — British Telecommunications PLC said Thursday its first-half profit rose 66 percent, helped by a one-time payment from MCI Communications Corp. after a planned alliance with the U.S. carrier collapsed.

BT's pretax profit rose to £2.60 billion (\$4.32 billion) from £1.56 billion a year earlier, as sales rose to £8.64 billion from £7.85 billion.

The company said profit was lifted by a one-time gain of £1.1 billion from the collapse of its deal with MCI. BT sold its 20 percent stake in MCI for \$7 billion and was awarded a "breakup fee" of \$465 million after MCI agreed to a takeover bid from WorldCom Inc.

The gains helped offset the impact of an economic slowdown in Britain. Strong demand for mobile-phone service also helped earnings.

Japan also pledged Wednesday to

## Telekom to Slash Charges

Compiled by Our Staff From Dispatches

FRANKFURT — Deutsche Telekom AG announced sweeping cuts Thursday in telephone charges in what analysts said would provoke an all-out price war in Germany's newly liberated telecom market.

Europe's largest telephone company said it had asked regulators for permission to introduce a simplified tariff structure in early January, cutting long-distance charges as much as 63 percent and some regional calls by about a third.

Until now, the former monopoly resisted slashing prices in its first year of long-distance competition, betting consumers would be wary of switching to untested rivals. Telekom's new prices at times would undercut some of its cheapest competitors if they're approved by German regulators.

"It's going to be very hard for the competition not to react to these prices," said Frank Rothauge, an analyst at Oppenheim Finanzanalyse.

Telekom said it could offset most of the resulting revenue loss by improving its competitive position, boosting its business volume and increasing revenue from other businesses.

Shares in Telekom, which is 74 percent owned by the government with the remainder in private sector hands, closed at 44.75 Deutsche marks (\$26.70), down 95 pfennig.

The cuts are in response to aggressive competition that has reduced Telekom's share of the market for long-distance calls to about 74 percent since it lost its monopoly with deregulation at the start of 1998.

Analysts said private sector competitors such as Airtel, Oetel and Mobilcom would have to follow suit, triggering a brutal round of price cuts.

(Reuters, Bloomberg, AFP)

## SAirGroup Buys 49.9% Of German Tour Firm

Compiled by Our Staff From Dispatches

ZURICH — SAirGroup, the parent company of Swissair, said Thursday that it had bought a 49.9 percent stake in LTU Group of Germany, which owns a charter airline and several tour operators.

SAir, which is seeking to expand its share of the growing European leisure industry, did not disclose how much it had paid Westdeutsche Landesbank Girozentrale and other investors for the stake. It declined to comment on a report in the Financial Times that it had spent more than 1 billion Swiss francs (\$723.4 million). LTU Group consists of a 29-airline and LTT-Touristik, which operates six tour operators: Tjaereborg, Meier's Weltreisen, Jahrmärkte, Smile & Fly, THR and Marlboro Reisen.

Analysts praised the move by SAir, saying the company was on the right track in moving to attract leisure customers.

"It will be positive in the long term," said Christoph Streit, an analyst at Bank Leu AG in Zurich. "They are well positioned in Europe to strengthen their charter operations. Consumer confidence is expected to pick up in Switzerland and Germany next year."

Germany has the biggest holiday and leisure industry in Europe, and spending is rising at 4 percent a year, Swissair said.

SAir said it had formed a holding company for the stake in LTU. That company, LTU Holding, next year will buy the remaining 50.1 percent of LTU. SAir said, It said German-based investors then would take a 39.9 percent stake in the new company and WestLB would buy back 10.2 percent of it. SAir is not allowed to hold more than a 49.9 percent stake in LTU because it is based in a non-European Union country and so barred from controlling an EU airline.

The move was prompted by German regulators, who asked WestLB to sell its LTU Group stake because the bank owns stock in Preussag AG, which has several travel subsidiaries.

(Bloomberg, AFP)

## Investor's Europe



| Exchange   | Index        | Thursday Close | Prev. Close | % Change |
|------------|--------------|----------------|-------------|----------|
| Amsterdam  | AEX          | 1,038.71       | 1,052.34    | -1.30    |
| Brussels   | BEL 20       | 3,171.38       | 3,184.70    | -0.42    |
| Frankfurt  | DAX          | 4,638.89       | 4,717.75    | -1.65    |
| Copenhagen | Stock Market | 614.08         | 613.45      | +0.10    |
| Paris      | CAC 40       | 3,560.24       | 3,544.74    | +0.44    |
| London     | FTSE 100     | 3,535.05       | 3,564.05    | -0.81    |
| Stockholm  | SX 16        | 1,117.52       | 1,132.21    | -1.90    |
| Vienna     | ATX          | 1,117.52       | 1,132.21    | -1.90    |
| Zurich     | SPX          | 4,245.00       | 4,216.08    | +0.65    |

Source: Telkaus

International Herald Tribune

## Very briefly:

• Den Danske Bank AS, Denmark's biggest bank, bought 9.97 percent of Norway's fifth-biggest bank, Fokus Bank ASA, and offered to buy all remaining shares for 77 Norwegian kroner (\$10.29) per share. The offer values Fokus at about 5.6 billion kroner.

• Prince Walid ibn Talal of Saudi Arabia bought a nearly 10 percent stake worth about \$9 billion in United Bank for Africa PLC, Nigeria's third-largest commercial bank from Banque Nationale de Paris SA, as an entry into Africa's second-largest economy.

• Zeneca Group PLC said it would sell its specialty chemicals business to focus on pharmaceuticals and agrochemicals.

• The Netherlands' industrial production rose 0.3 percent, far less than expected, while state buying incentives helped Italian factory output rise 1.7 percent, as both countries weathered the effects of recessions in Asia and Russia in September.

• The European Union has warned Italy that its plan to preserve the 1 trillion lire (\$600 million) license fee charged to Telecom Italia SpA, transforming it into a special tax on sales, contravenes EU legislation.

• Credit Lyonnais SA, France's fourth-biggest bank, has agreements from two Spanish savings banks, Caja Madrid and Caja Duero, to buy its Spanish retail banks, Banco Jover and Credit Lyonnais Espana, for up to 14.2 billion pesetas (\$99.1 million), another step in the asset sales that are part of its state-funded bailout.

• VEBA AG predicted that full-year net profit would fall "significantly" due to losses in its silicon wafer business and start-up costs in its telecommunications joint venture. VEBA's third-quarter net profit fell 25.8 percent to 560 million Deutsche marks (\$332.5 million). (Reuters, Bloomberg)

## WORLD STOCK MARKETS

Thursday, Nov. 12

Daily prices in local currencies

Telekom

High Low Close Prev.

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**Thursday's 4 P.M. Close**  
The 2,600 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere

The 2,600 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere

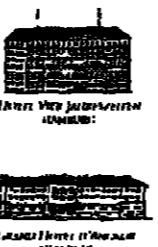
*The Associated Press.*

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you've seen just one.



INTERVIEW JAHNWEINH



Bacon's Moral Essays



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| 12 Month High Low |            |      |       |      |      |     |        |        |          |           |      | 52 Week High Low |      |      |      |        |        |      |          |           |      |     |    |      |      |      |      |      |
|-------------------|------------|------|-------|------|------|-----|--------|--------|----------|-----------|------|------------------|------|------|------|--------|--------|------|----------|-----------|------|-----|----|------|------|------|------|------|
| Stock             | Div        | Yld  | PE    | 100s | Huge | Low | Latest | Change | Stock    | Div       | Yld  | PE               | 100s | Huge | Low  | Latest | Change |      |          |           |      |     |    |      |      |      |      |      |
| 1334 174          | Dessau     | .196 | 1.7   | 51   | 111  | 117 | 119    | +16    | 1516 774 | FitCorp   | .770 | 7.7              | 66   | 122  | 814  | 784    | 700    | +56  | 1516 774 | FitCorp   | .770 | 7.7 | 66 | 122  | 814  | 784  | 700  | +56  |
| 2344 157          | Dev'Diesel |      | 2.1   | 167  | 250  | 245 | 25     | +14    | 1114 974 | Frontline | .500 | 6.6              | 17   | 2278 | 2414 | 2414   | 2414   | +365 | 1004 524 | Frontline | .500 | 6.6 | 17 | 2278 | 2414 | 2414 | 2414 | +365 |
| 2344 17           | Dev'Diesel | .456 | 2.6   | 19   | 172  | 271 | 271    | +25    | 579 254  | FPM Corp  | .48  | 8                | 26   | 130  | 450  | 450    | 450    | +496 | 579 254  | FPM Corp  | .48  | 8   | 26 | 130  | 450  | 450  | 450  | +496 |
| 2114 157          | Dev'Dev    | .126 | 1.2   | 19   | 125  | 184 | 184    | +16    | 1004 524 | FRCM Corp | .17  | 1                | 1    | 49   | 134  | 134    | 134    | +15  | 1004 524 | FRCM Corp | .17  | 1   | 1  | 49   | 134  | 134  | 134  | +15  |
| 5114 524          | Dev'Dev    | .104 | 1.2   | 22   | 125  | 141 | 141    | +16    | 2344 104 | FRCM Corp | .20  | 1.2              | 17   | 5009 | 145  | 145    | 145    | +15  | 2344 104 | FRCM Corp | .20  | 1.2 | 17 | 5009 | 145  | 145  | 145  | +15  |
| 4414 254          | Dev'Dev    | .164 | 1.2   | 11   | 111  | 199 | 199    | +16    | 1214 124 | FRCM Corp | .23  | 6.3              | 23   | 478  | 150  | 150    | 150    | +15  | 1214 124 | FRCM Corp | .23  | 6.3 | 23 | 478  | 150  | 150  | 150  | +15  |
| 2344 194          | Dev'Dev    | .16  | 1.2   | 33   | 424  | 354 | 354    | +16    | 2114 124 | FRCM Corp | .26  | 7.3              | 26   | 715  | 150  | 150    | 150    | +15  | 2114 124 | FRCM Corp | .26  | 7.3 | 26 | 715  | 150  | 150  | 150  | +15  |
| 2434 254          | Dev'Dev    | .222 | 6.7   | 107  | 156  | 254 | 254    | +16    | 2114 124 | FRCM Corp | .29  | 7.3              | 21   | 321  | 129  | 129    | 129    | +15  | 2114 124 | FRCM Corp | .29  | 7.3 | 21 | 321  | 129  | 129  | 129  | +15  |
| 4414 344          | Dev'Dev    | .16  | 1.2   | 14   | 428  | 254 | 254    | +16    | 2114 124 | FRCM Corp | .32  | 12               | 21   | 376  | 150  | 150    | 150    | +15  | 2114 124 | FRCM Corp | .32  | 12  | 21 | 376  | 150  | 150  | 150  | +15  |
| 2344 188          | Dev'Dev    | .18  | 1.2   | 15   | 247  | 250 | 250    | +16    | 2114 124 | FRCM Corp | .35  | 12               | 21   | 397  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .35  | 12  | 21 | 397  | 469  | 469  | 469  | +15  |
| 2114 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .38  | 12               | 21   | 418  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .38  | 12  | 21 | 418  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .41  | 12               | 21   | 439  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .41  | 12  | 21 | 439  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .44  | 12               | 21   | 460  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .44  | 12  | 21 | 460  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .47  | 12               | 21   | 481  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .47  | 12  | 21 | 481  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .50  | 12               | 21   | 502  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .50  | 12  | 21 | 502  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .53  | 12               | 21   | 523  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .53  | 12  | 21 | 523  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .56  | 12               | 21   | 544  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .56  | 12  | 21 | 544  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .59  | 12               | 21   | 565  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .59  | 12  | 21 | 565  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .62  | 12               | 21   | 586  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .62  | 12  | 21 | 586  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .65  | 12               | 21   | 607  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .65  | 12  | 21 | 607  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .68  | 12               | 21   | 628  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .68  | 12  | 21 | 628  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .71  | 12               | 21   | 649  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .71  | 12  | 21 | 649  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .74  | 12               | 21   | 670  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .74  | 12  | 21 | 670  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .77  | 12               | 21   | 691  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .77  | 12  | 21 | 691  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .80  | 12               | 21   | 712  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .80  | 12  | 21 | 712  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .83  | 12               | 21   | 733  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .83  | 12  | 21 | 733  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .86  | 12               | 21   | 754  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .86  | 12  | 21 | 754  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .89  | 12               | 21   | 775  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .89  | 12  | 21 | 775  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .92  | 12               | 21   | 796  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .92  | 12  | 21 | 796  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .95  | 12               | 21   | 817  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .95  | 12  | 21 | 817  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | .98  | 12               | 21   | 838  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | .98  | 12  | 21 | 838  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.01 | 12               | 21   | 859  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.01 | 12  | 21 | 859  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.04 | 12               | 21   | 880  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.04 | 12  | 21 | 880  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.07 | 12               | 21   | 901  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.07 | 12  | 21 | 901  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.10 | 12               | 21   | 922  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.10 | 12  | 21 | 922  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.13 | 12               | 21   | 943  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.13 | 12  | 21 | 943  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.16 | 12               | 21   | 964  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.16 | 12  | 21 | 964  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.19 | 12               | 21   | 985  | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.19 | 12  | 21 | 985  | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.22 | 12               | 21   | 1006 | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.22 | 12  | 21 | 1006 | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.25 | 12               | 21   | 1027 | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.25 | 12  | 21 | 1027 | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.28 | 12               | 21   | 1048 | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.28 | 12  | 21 | 1048 | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.31 | 12               | 21   | 1069 | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.31 | 12  | 21 | 1069 | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.34 | 12               | 21   | 1090 | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.34 | 12  | 21 | 1090 | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.37 | 12               | 21   | 1111 | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.37 | 12  | 21 | 1111 | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.40 | 12               | 21   | 1132 | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.40 | 12  | 21 | 1132 | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.43 | 12               | 21   | 1153 | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.43 | 12  | 21 | 1153 | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.46 | 12               | 21   | 1174 | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.46 | 12  | 21 | 1174 | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7   | 15   | 145  | 249 | 249    | +16    | 2114 124 | FRCM Corp | 1.49 | 12               | 21   | 1195 | 469  | 469    | 469    | +15  | 2114 124 | FRCM Corp | 1.49 | 12  | 21 | 1195 | 469  | 469  | 469  | +15  |
| 1344 171          | Dev'Dev    | .42  | 4.7</ |      |      |     |        |        |          |           |      |                  |      |      |      |        |        |      |          |           |      |     |    |      |      |      |      |      |

**NASDAQ**

**Thursday's 4 P.M.**  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
The Associated Press

**NYSE**

**Thursday's 4 P.M. Close**  
**(Continued)**

**Very briefly:**

- China's deflation slowed in October as retail prices fell 2.9 percent from a year earlier, state-run China Central Television reported. That was the 13th consecutive month of a decline in the retail price index from year-earlier levels, though the October decline was smaller than the 3.3 percent drop posted for September.
- South Korea plans to list state-run Korea Telecom on its stock exchange by the end of December, paving the way for a \$1.5 billion stock sale overseen by the nation's biggest phone company. The government has sold 28.8 percent of Korea Telecom to domestic investors in recent years.
- Australia's jobless rate fell to 7.7 percent in October, its lowest reading in eight years, providing further evidence that the economy is weathering Asia's crisis and dimming expectations the central bank will cut interest rates soon.
- Mitsubishi Motors Corp.'s president, Katsujiro Kawasoe, said there was no future for "hybrid" automobiles powered by electricity and gasoline, despite advances rivals had made with the technology. "It is not a viable business," he said. "You can only manufacture a very limited number of cars."
- All Nippon Airways Co. of Japan and China Eastern Airlines Co. will sign a code-sharing agreement to cut costs and increase access to each other's base regions.
- City Developments Ltd., Singapore's largest publicly traded real-estate developer, is looking to buy hotels in Tokyo, Seoul and Thailand.

## Japan's Stimulus Plan Leaves Market Skeptical

By Sheri Wu Dunn  
New York Times Service

TOKYO — The governing Liberal Democratic Party unveiled a plan to bolster the economy Thursday, but the financial markets greeted it skeptically, and analysts described it as a mélange of relatively minor steps that would have little effect.

The package could end up being worth \$150 billion, making it the largest in a series of efforts to lift the economy out of recession. But no official figure was disclosed, and in any case, its size and implementation will depend on political developments.

The draft, which is expected to be formally endorsed by the government Monday, aims to create 1 million jobs and to spur consumer

spending with cheaper housing loans, about \$57 billion in long-term tax cuts and the distribution of \$5.7 billion in merchandise coupons. One proposal, a rollback of last year's increase in the consumption tax, was not mentioned in the outline.

The plan is clouded by uncertainty and could still be redrawn.

One opposition group, the Liberal Party — which has entered intense discussions to form a possible coalition with the Liberal Democrats — has been pushing for a rollback in the consumption tax.

"If we reach agreement on a coalition, then today's package means nothing," said Yoshiro Suzuki, policy planning chairman for the Liberal Party. The Liberal Party has called for a repeal of the 5 percent consumption tax for at least one year.

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"It's understandable how the package came together, for it seems a patchwork quilt that parlays to different interests," said Christopher

Calderwood, chief economist at Jardine Fleming Securities (Asia) Ltd. in Tokyo. "It lacks coherence or a theme, other than keeping things the same."

Investors were unimpressed, sending the Nikkei average of 225 stocks down 2.5 percent, or 352.96 points, to 14,075.06, while the dollar rose

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Speeds

Plain Old

## INTERNATIONAL INVESTING

# Maybe It's Again Time to Hold Those Tigers

Washington Post Service

**WASHINGTON** — If you think the U.S. market is hot these days, take a look at the emerging markets of Asia.

Yes, Asia. Remember the land of crumbling economies, failing currencies and frightened investors? Well, the Hang Seng Index in Hong Kong is rising more often than not in recent days, although it fell Thursday along with most Asian markets. Since Aug. 13, however, it is up by more than half.

From its low a few months ago, Thailand's major stock index has risen 11 percent; South Korea's, 57 percent; Singapore's, 64 percent; China's, 27 percent. And in just the past seven weeks, the Jakarta composite index in Indonesia has doubled. (All of these increases are in U.S. dollar terms.)

But despite these advances, Asia is still far cheaper than it was 15 months ago when the crisis began. The markets in South Korea and China are each down by more than half; Thailand, by 48 percent; Hong Kong, by a third. Even Taiwan, whose economy was said to be immune to the Asian disease, is down 39 percent.

So maybe it's time for investors who have shunned international stocks to devote some cash to Asia. But then again, maybe not. Let me offer instead two choices for different sorts of investors: 1) Asia, for risk-lovers, and 2) global blue chips for the more sedentary. In this column, I'll look at Asia; in my next one, I'll discuss global blue chips. [Mr. Glassman's next column is scheduled to appear in the Money Report section in the Saturday-Sunday editions of the International Herald Tribune.]

I am agnostic on the question of which to pick. In fact, it may be smart to buy both. But either way, as a long-term investor you need international exposure — between 10 percent and 30 percent of your holdings. Other countries, after all, account for roughly three-quarters of the world's output, and research has shown that, by adding non-U.S. stocks to your portfolio, you reduce its overall risk.

Make no mistake: While Asia beckons, Asia is volatile.

Take, for example, the closed-end Korea Fund, which trades on the New York Stock Exchange. Over the past two months, it has risen more than 50 percent; nevertheless, investors who bought the fund at the start of 1995 have lost half of their money. The fund needs to double from here to get them even — and more than triple to bring them to the level of U.S. stocks over the same period.

Like the Korea Fund, Asia itself is a picture of both optimism and devastation. Jim Walker, chief economist at Credit Lyonnais Securities Asia, says there could be a "major rebound" in corporate earnings across Asia in 1999. But Mr. Walker, interviewed in the new issue of *Grant's Asia Observer*, also worries that these healthy profits will convince Asian governments that their troubles are over — and, as a result, that necessary

reforms of banks and the strengthening of currencies will be postponed, provoking disaster down the line.

Byron Wien, a highly regarded analyst at Morgan Stanley Dean Witter, recently returned from a trip to Asia and said that economies were "bottoming" — in other words, they won't get much worse.

"Throughout Asia," he told clients, "there is no sense of hopelessness, as most expect the region to recover. The only questions are, 'When?' and, 'Is it too early to start buying stocks now?'"

David Malpass, chief international economist at Bear, Stearns & Co., seems to have a sensible view. He told me that, while most Asian markets "formed a lasting bottom" in August and September, we should not expect too much too soon. Per-capita income, he says, "will take five to 10 years to recover to 1996 levels." Latin America lost an entire decade in the 1980s, and so could Asia, where "debt burden remains heavier."

On the other hand, Mr. Malpass contends, the problems of China and Hong Kong are exaggerated and devaluations are "highly unlikely, given Hong Kong's currency board and China's preference for stability."

It's not hyperbole to say that Asian stocks could present a once-in-a-lifetime opportunity, with an abundant market of consumers, a smart and dedicated work force and managers who are only now learning that return on equity is more important than revenue alone. Asia, in short, is a bundle of potential energy.

How to play it? Trying to ferret out individual stocks is exceptionally difficult for the small investor. Morgan Stanley Dean Witter, for example, lists only one Asian company — Sony Corp. — in its list of 10 core non-U.S. stocks. Sony and other large Japanese consumer companies — such as Canon Inc., Fuji Photo Film Co., Toyota Motor Corp. — are well-run international companies that have largely avoided the Asian crisis, but their prices reflect that fact.

To find good Asian companies that

have been beaten up, your best bet is mutual funds. The top performer over the past five years, according to Value Line, has been Merrill Lynch Pacific, which at last report had two-thirds of its assets in Japan. Leading funds that eschew Japan include Fidelity Southeast Asia, T. Rowe Price New Asia and Templeton Pacific Growth — each of which has at least one-fourth of its assets in Hong Kong stocks.

For an even larger dose of Hong Kong, consider Guinness Flight China & Hong Kong, which has soared 36 percent in the past three months. Leading its portfolio are HSBC Holdings PLC, a Hong Kong financial-services company; Hong Kong Telecom Ltd., and China Telecom (Hong Kong) Ltd., which has risen 75 percent since mid-August. All three stocks trade on U.S. exchanges.

Guinness Flight also offers a new Asia Small Cap fund, with holdings roughly split among Hong Kong, Singapore and China, plus a smattering of issues from Thailand and Malaysia.

For those who crave even more risk, consider closed-end country funds such as the Thai Fund or the Singapore Fund. Another alternative is World Equity Benchmark Shares, which are portfolios of stocks that each reflect a Morgan Stanley Capital International country index and trade on the American Stock Exchange. There are such portfolios for Hong Kong (stock symbol EWH), Japan (EWJ), Malaysia (EWM) and Singapore (EWS).

**Very briefly:**

• Jamie Jaffee, who has stepped down as head of Fidelity Investments' Charitable Gift Fund, is gearing up to tackle how investors give money to heirs. She will head up a new Fidelity initiative to woo customers grappling with inheritance and estate planning. The project, still under wraps, reflects Fidelity's new efforts to tap into the private side of wealth transfer as well as retain customers at every stage. "We have lots of customers who face the issue of inheritance

every day," said Fidelity's marketing head, Stephen Cone.

• Bank of Tokyo-Mitsubishi Ltd., Japan's largest commercial lender, said it would sell mutual funds developed by Nikko Securities Co. Fidelity Investments and its own asset management unit. The bank will sell 11 mutual funds at 49 of its branches starting Dec. 1, when rules preventing banks from selling funds are scrapped.

*Boston Globe, Bloomberg***JAMES K. GLASSMAN ON INVESTING**

## 9 Funds Reopen, Stressing Small-Caps

**WASHINGTON** — Nine U.S. mutual funds, most of them focusing on small-capitalization stocks, have recently reopened to new investors.

The editor of the No-Load Fund Investor, Sheldon Jacobs, is especially fond right now of micro-cap funds, or those focusing on some of the smallest publicly traded companies, two of which are reopening: Scudder Micro-Cap, which has risen 16 percent in the past month, and

Wasatch MicroCap, a value-oriented fund that owns such tiny stocks as Techne Corp., Marks Brothers Jewelers Inc. and Travis Boats & Motors Inc., each of which has jumped more than 50 percent since Oct. 8. Wasatch's only drawback: high expenses.

Also reopening is an old favorite, the Merger Fund, with risk levels a small fraction of those of its peers.

**JAMES K. GLASSMAN**

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Herald Tribune  
**SPORTS**

FRIDAY, NOVEMBER 13, 1998

**WORLD ROUNDUP****AL Manager of Year Award for Torre**

**B**ASEBALL Joe Torre of the New York Yankees was overwhelmingly voted American League Manager of the Year on Thursday.

Torre got 23 first-place votes, four seconds and one third for 128 points in voting by the Baseball Writers' Association of America.

Jim Williams, the Boston manager, was a distant second with three firsts and 39 points.

New York finished the regular season 114-48, setting an AL record for victories and went 11-2 in the postseason, sweeping the San Diego Padres in the World Series. (AP)

**Cuban Women Keep Title**

**V**OLEYBALL Cuba retained the women's volleyball world championship Thursday, beating China, 15-14, 16-14, 15-12, in the final. Cuba also beat the Chinese, 3-0, in the Olympic final two years ago.

The Cubans dropped just two sets in the two-week competition.

Russia, the top ranked team entering the tournament, came back from a set down to take bronze with a 3-1 victory over Brazil. (Reuters)

**Browns Hire Security Chief**

**F**OOTBALL The newly-formed Cleveland Browns said Thursday they were hiring Lewis Merletti, the outgoing S.S. Service director, as security co-ordinator.

Merletti protected Presidents Reagan, Bush and Clinton and fought unsuccessfully to keep his agents from testifying in the Monica Lewinsky investigation. He will become the Browns' vice president and director of stadium and security affairs. (AP)

**Goalie Brimsek Is Dead**

**I**Ce HOCKEY Frank Brimsek, a Hall of Fame goalie who was nicknamed "Mr. Zero" after posting six shutouts in his first eight National Hockey League games, died Wednesday at 85.

Brimsek recorded 42 shutouts in his career with the Boston Bruins and Chicago Blackhawks. (AP)

**Compensation for Ski Fan**

**O**LYMPICS A court in the northern Japanese city of Urawa ordered the organizers of the Nagano Winter Olympics to pay 3,560 yen (\$28.88) in damages for mental anguish to a spectator who missed a ski jumping event because of heavy traffic. (AP)

**British Swimmer Seeks Redress for a Theft 18 Years Ago**

By Christopher Clarey  
*International Herald Tribune*

**S**EVILLE, Spain — Unfortunately for Sharren Davies, she was at her peak as a swimmer in the years when the East German women's team was at its peak: dominating international competition with the help — as the recent trials in Germany have made clear — of a systematic, state-sponsored program that fed hundreds of athletes performance-enhancing drugs.

When Davies won her silver medal for Britain in the 400 meter individual medley in Moscow, the East German Petra Schneider finished more than 10 seconds ahead of her to take the gold and set a world record.

Davies was convinced then that Schneider had an unfair advantage, and 18 years later she believes she has proof after speaking with Schneider in August and digging through East German state files. Now, she wants the International Olympic Committee to offer her some form of justice.

"A crime is a crime whether it was 50 years ago, five years ago or five minutes ago," Davies said. "You will never be able to give me or other swimmers back our moment of standing up on the podium but to be able to put it straight in the record books would be a step in the right direction."

The British Olympic Association has filed a petition with the International Olympic Committee on behalf of Davies. The U.S. Olympic Committee has filed a similar petition on behalf of the American women's medley relay team that finished second behind the East Germans at the 1976 Olympics in Montreal.

Both appeals will be evaluated by the IOC's executive board Dec. 11-14 in Lausanne, Switzerland, and the potential repercussions for world sport are enormous if the IOC decides to approve a new version of history.

"The result has no meaning anymore so why let it stay in the record books?" Davies said. "If we all know the truth, why let it sit there."

According to the IOC executive director, Francois Carrard, the executive board could make a ruling or refer the protests to the general assembly. It could also decide to address the protests further at the conference on doping scheduled for February in Lausanne.

The chances of a radical move from the IOC do not appear great. Last month, Jacques Rogge, an executive board member, said: "There is absolutely not going to be any change for things that happened more than 10 years ago."

"At this stage," he said, "we still have no documented evidence of doping of an athlete on the day of Olympic

competitions."

Carrard was less categorical Thursday. "There have been comments from members of the board that, in principle, the IOC doesn't think it should rewrite history or reallocate medals," he said, "but I think we are going to see if some form of recognition can be instituted in some cases. The word 'recognition' is the word I would emphasize."

Neither the USOC nor the British are asking the Germans to relinquish their medals. The USOC believes most of the German competitors were unaware of the banned substances they were taking and is requesting only that its swimmers receive supplementary gold medals. Davies is also more interested in vindication than vengeance.

"I wouldn't like to see medals stripped," she said. "And if you ask me, it's a bit too to reissue medals, but a certificate or a rewrite of the record books would be satisfactory to me."

Davies rejects the argument that the IOC should not tinker with the record book because there is no guarantee that those who will benefit were drug-free at the time of the events in question.

"I suppose you could say that I had the same information available to me as they did about beating the system, but I was training on my own," she said.

Last summer, Davies, who is a television presenter, spent several weeks in

Germany. She was seeking evidence to present to the IOC and material for a television program that will air in Britain on Sunday evening. During her research, she interviewed Schneider and Rica Reinisch, who won both backstroke events at the 1980 Olympics.

"Petra was quite happy to admit it,"

Davies said. "She said she was put on a doping program at 14 and originally told that they were just little blue pills. She then knew changes were taking place in her body, and by the time she was 16 or 17, she was aware that she was taking something illegal but by that time she was worried that if she rejected it, her father might lose his job or something. That's the very sad part of this. It wasn't a simple, straightforward thing."

"Both Petra and Rica Reinisch have heart problems and all the side effects that are apparent with steroid abuse," Davies added. "But the fact is they had very little choice. If I had been in East Germany at that time, I could have been one of those people, too."

"But I do think the IOC should be held fairly accountable that more was not done at the time. It's not like this is all a surprise. The East Germans were dominating out of all proportion. It was obvious to everyone what was going on, and I think there should be some form of compensation for athletes who missed out on medals they would have won and

something as well for the East German athletes who were swept under the carpet and many of whom are now suffering badly. Petra has been told at the age of 35 that she could die of a heart attack at any moment, and she has an eight-year-old girl."

Davies and her husband, Derek Redmond, have a five-year-old son, Elliott. Redmond, a 400-meter runner, was also a British Olympian.

It should come as no surprise that Elliott has begun to express an interest in sport. But Davies is ambivalent about the prospect of her son's choosing the family business.

"Part of me is proud and wants him to do sport and part of me worries to death about what he would have to do to himself to do his best," she said. "It's quite sad to feel that way."

**Billiards Veteran Is Banned**

A 58-year-old Japanese billiards player tested positive for a muscle-building drug and has been kicked off the team for the Asian Games and banned for two years. Reuters reported from Tokyo.

Junsuke Inoue admitted to using methyltestosterone, a hormone similar in its effects to testosterone, to enhance his energy level. He would have been the oldest Japanese competitor at the games in Bangkok in December.

**Waite Deflects 38 Shots-on-Goal As the Coyotes Keep On Howling**

*The Associated Press*

Ed Jovanovski broke the tie by scoring with 21 seconds left in the period, and Robert Svechl gave Florida a two-goal cushion by scoring at 3:33 of the third.

**R**ed Wings 6, Blues 2 In Detroit, Steve Yzerman moved past his boyhood hero, Bryan Trottier, into 10th place on the National Hockey League career point list as the Red Wings routed St. Louis.

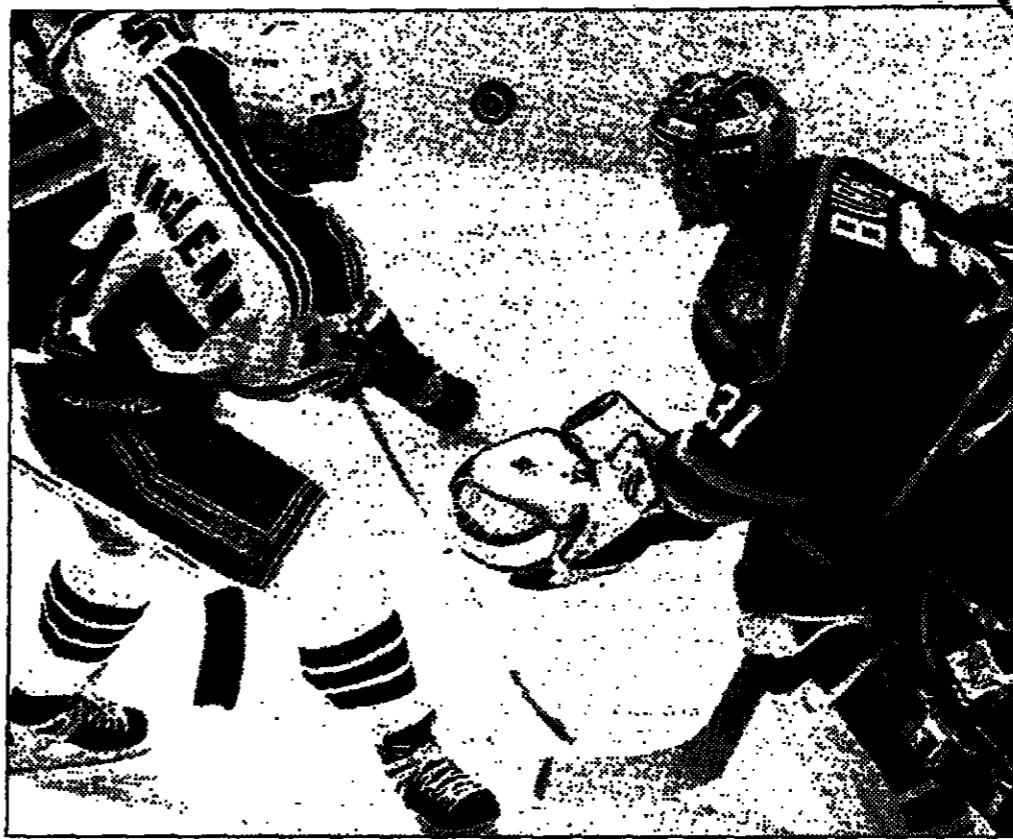
Yzerman's goal and assist gave him 1,426 points, one more than Trottier, the former New York Islanders' great whom Yzerman admired so much that he adopted his No. 19 jersey.

Yzerman tied Trottier with an assist on Vyacheslav Kozlov's goal, the last of Detroit's four first-period tallies. Yzerman's goal in the last minute of the second period gave the Red Wings a 6-0 lead.

**M**ighty Ducks 5, Hurricanes 4 Paul Kariya scored with 1:07 left in regulation to tie the game and Steve Kucchin deflected in the winning goal for Anaheim at 1:04 of overtime. The Ducks trailed, 3-1, heading into the third period.

**D**evils 3, Canadiens 0 Scott Niedermayer scored on a penalty shot and set up another goal to lead New Jersey over visiting Montreal.

**M**aple Leafs 3, Oilers 2 In Toronto, Curtis Joseph made 32 saves and was spectacular in the third period, when Edmonton outshot the Leafs, 20-2, but could score only once.



John MacLean of the Rangers, left, and Sean Burke of the Panthers staring down the puck.

**Vaughn Rebuffs Bosox, Who Now Try for Belle**

*The Associated Press*

**N**EW YORK — Mo Vaughn's decision to reject a final offer from the Boston Red Sox is likely to trigger another series of moves in an already busy baseball off-season.

The slugger rejected a deal worth \$60 million Wednesday and will change clubs — the Anaheim Angels are an early favorite — while the Red Sox indicated they would pursue Albert Belle of the Chicago White Sox.

Among other moves Wednesday, Bobby Bonilla returned to the New York Mets, David Cone stayed with the New York Yankees and Dean Palmer became Detroit's biggest free-agent addition in years.

Vaughn rejected a \$37 million, four-year deal earlier this year. The Red Sox then made a five-year offer worth about \$60 million, but the hard-hitting first baseman already has a \$72 million, six-year proposal from the Angels.

Belle, a surly outfielder, could be an interesting signing in a city where fans and media put players under what might be the most intense microscope in baseball. Duquette said he was not concerned with Belle's anti-media stance, saying that fan reaction "would be fantastic" if Belle hit 50 homers and drove in 130 runs for Boston. Belle hit .328 with 49 homers for the White Sox this season.

Cone agreed to stay with the Yankees, getting an \$8 million, one-year contract, \$2.5 million more than the



Jamie Moyer pitching for the Major League stars in Osaka, Japan.

player option he was set to reject. Cone, 35, was 20-7 with a 3.55 ERA last season as New York set an American League record with 114 victories and won the World Series. It was his 20th victory season since 1988.

The Yankees and Darryl Strawberry agreed to extend the deadline for a decision on his \$2.5 million option to Nov. 20. Strawberry is undergoing chemotherapy following surgery last month to remove a cancerous tumor from his colon.

Arizona picked up two free agents,

agreeing to a \$5.7 million, three-year contract with left-handed pitcher Greg Swindell and a \$1.8 million, two-year deal with first baseman Greg Colbrunn.

Swindell, who will be 34 next season,

is 5-6 with a 3.59 earned run average for Minnesota and Boston this year in 81 relief appearances and made 51.3 million.

Palmer, 30 next month, went to Detroit after Ken Caminiti, another free-agent third baseman, rejected the Tigers' offer. Detroit gave Palmer a deal that includes a \$10 million signing bonus.

He made \$5.75 million this year, hitting .278 for Kansas City and leading the Royals in homers (34) and runs batted in (119). Detroit wants to upgrade its roster in preparation for the move to a new stadium in 2000.

**■ Major Leaguers Win in Japan**

Jamie Moyer and four relievers pitched a five-hit shutout Thursday as a squad of U.S. major leaguers beat a team of Japanese all-stars, 2-0, the Associated Press reported from Osaka.

The victory put the major leaguers 3-2 ahead in the best-of seven series.

**2 Babes: Ruth and Mrs. Joe DiMaggio**

**T**hey're Both in Collection of Baseball Memorabilia Worth Millions

By Ira Berkow  
*New York Times Service*

**N**EW YORK — Everyone needed an identification card. You couldn't go into a military zone without it. Even if you were on your honeymoon. As Marilyn Monroe was.

She had come to Tokyo with Joe DiMaggio shortly after their marriage but on arrival she and Joe agreed to an appeal from the general staff for her to entertain the troops in Korea, while Joe stayed in Japan. And so on a laminated U.S. Department of Defense ID, issued 8 Feb. 1954, was, naturally, her unmistakably dazzling mug shot — looking nothing, to be sure, like a non-com — with her name printed below the photo and her looping signature.

And what, for, say, \$6,000, was the name she chose to be known by?

Answer: "Norma Jeane DiMaggio," as she signed it.

Until very recently Barry Halper owned one of the most remarkable, and valuable, baseball memorabilia collections this side of the moon.

It was announced Tuesday that he had sold to the baseball commissioner's office for \$7.5 million what he estimates to be 20 percent of his collection, which comprises everything from the 75 baseball uniforms in mint condition that go back to one worn by Pad Galvin of the 1871 Buffalo Nationals to the contract to the National Casket Co. of Long Island City for Babe Ruth's coffin ("six-foot, six-inch pine box — kind of eerie, but special," Halper said) to, well, Norma Jeane DiMaggio's USO identification.

Much of the rest of his collection will

be sold over the year by Sotheby's, including the Monroe card.

Halper, diligent to the point of obsession, obtained his collection of more than 100,000 pieces that fills up almost every nook and cranny of the extensive basement in his house in Livingston, New Jersey, in many ways: by people giving him things free that they wanted to clear out of their basements or by going to various significant individuals and getting them to autograph bats, balls and programs, as well as on occasion visiting an auction.

It was an auction about 20 years ago that he paid \$1,400 for the ID. The people at Sotheby's believe it might sell for at least \$6,000.

Halper, a friend for many years of DiMaggio's, said he never showed the ID. ("It: 5-5 1/2, Wt. 118, Religion: None") to DiMaggio.

"He's very sensitive about anything regarding her," Halper said. "But one day in my home I showed him an original copy of the first Playboy Magazine, in which she posed nude for the cover. Joe said — he didn't look too thrilled — 'What do you want me to do with this, sign 'Best wishes'?"

Halper is nothing if not undaunted. "I said, 'No, but I'd love to have you sign it.' He said, 'O.K., but I don't want anyone to see it in my lifetime.' I promised I wouldn't, and I haven't."

Halper, now 58 and a limited partner with the New York Yankees at something over 1 percent, began collecting baseball cards as a boy in the 1940s. Soon it was on to other memorabilia. At the 1983 All-Star Game in Chicago, on the 50th anniversary of

the first big-league All-Star Game, he wanted to get a bat signed by Earl Averill, who played in that game.

"I saw him in the hotel lobby after the game and he was looking very sickly," Halper recalled. "He said if he'd sign it tomorrow, I thought that if he made it to tomorrow it would be a miracle. I just about begged him to do it now and we went to his hotel room, where he signed it."

"The next morning I come down to the lobby and there's a big commotion. Averill was leaving the hotel in an ambulance and died shortly after. I don't want to be callous, but I did get lucky."

Halper once approached Richard Nixon, whom he knew, with a request.

He told him he had been collecting baseballs of famous people who signed their full names and nicknames. From his briefcase, Halper showed Nixon bats signed "Joseph Paul DiMaggio," "Yankee Clipper," and "Theodore Samuel Williams," "The Thumper."

"Mr. President, would you sign a baseball like that?" Halper asked.

"Sure," Nixon said. "He signed 'Richard Milhouse Nixon.'"

"You didn't write your nickname," Halper said.



## POSTCARD

## Where's the Audience?

By Sharon Waxman  
*Washington Post Service***L**OS ANGELES — Will American audiences have nothing to do with movies about slavery?

That could be one conclusion drawn from the dismal showing of Oprah Winfrey's dark, ambitious drama "Beloved," a three-hour production praised by critics and rejected by audiences.

After four weeks in the theater and an enormous marketing push by Disney that included a one-hour special on Winfrey's talk show, the film has taken in only \$21.1 million at the box office. That is barely half of what another Disney film, Adam Sandler's goofball comedy "Waterboy," rang up in three days. That film cost Disney \$23 million to make and took in \$39 million over the weekend. "Beloved" cost the studio \$55 million, not including marketing costs.

"It's discouraging," said Joe Roth, chief of Disney Studios. "It's discouraging how difficult it is to get people to come see serious movies."

Not even those expected to show up — blacks and Winfrey's core female audience — turned out to support the film.

"The lesson is that the country seems to be in a mood where people are looking for real escapist entertainment," said Paul Degradjian, president of Exhibitor Relations, which tracks box office figures.

"It was too much to ask audiences to sit through a three-hour movie, a powerful movie, and come out telling their friends to go see it."

"Beloved" is not the only recent film about slavery that has failed to find an audience. "Aniata," directed by Steven Spielberg, was neither a box office nor a significant critical success. But other

films with difficult subject matter have succeeded in breaking through to wide audiences, notably "Schindler's List," about the Holocaust, and this summer's "Saving Private Ryan," about World War II, both by Spielberg.

But "Beloved" is a particularly difficult moviegoing experience, a fact that even Roth — like many critics — has acknowledged. Based on the best-selling novel by Toni Morrison, the film tells the painful story of a former slave, played by Winfrey, who struggles to create a new life as she is haunted by the ghosts of her horrific past.

Critics praised the film's powerful message, but also noted that it was — as one critic put it — a "long, hard sit," not necessarily an uplifting Hollywood experience.

□

"Black historical pieces, like white historical pieces, are very difficult commercial prospects," said Helena Echegoyan, a producer who is black. "Historical movies are difficult to attach to emotionally; the lesson is placed somewhere else. And when you're dealing with a serious subject matter like slavery, I don't know that's a place people want to be transported to."

But black filmmakers fear that future potential projects may be tainted by the failure of "Beloved," reinforcing the Hollywood mind-set that serious black topics cannot be successful at the box office.

"Because 'Beloved' didn't do better, I know it will become a precedent for why serious, literary dramas about the black experience don't appeal to people," Echegoyan said.

"At the end of the day it's just another black movie that didn't perform, or that underperformed."



Christopher Reeve talking about his new movie.

## Spin Cycle: The Re-Branding of Prince Charles

By Suzy Menkes  
*International Herald Tribune***L**ONDON — The new Prince of Wales Web site on the Internet tells you a lot about Charles a year after the death of Diana, and on the eve of his 50th birthday.

Under his royal crest of three white feathers is a laughing face — an all-screen version of the crumpled, anguished prince dubbed by Britain's satirical press as the "heir of sorrows."

Click! And there is Charles playing pool, laying wreaths, meeting and greeting as he carried out last week's worthy agenda on a visit to the Balkans. Surf the news, speeches and "picture gallery" and you find no iconic images of Diana, Princess of Wales. There is no sign either of Camilla Parker Bowles and his mother are at loggerheads over Parker Bowles and that he would be "secretly delighted" if Her Majesty threw in the crown.

Charles instantly denied the allegations as "ridiculous," in a statement that praised the "duty and loyalty" of the monarch as "an example to us all." With his sense of history, he knows that "abduction" is not a word mentioned in the royal family since Edward VIII chucked it all in for the unpopular, plain, older, divorced woman he loved. (Does this sound familiar?).

"Granny," the Queen Mother whom Charles adores, never forgave the Duke and Duchess of Windsor for pitching her ailing husband and subsequently her young daughter out on the throne. Forty-five years later, Queen Elizabeth believes that monarchy is god-given and Charles knows that there is no solution to an oedipal royal chess game that requires the death of the queen for the king to take the throne. (At least the bishops seem to be on his side about Camilla: The idea that the Prince of Wales should marry his mistress with church approval and public blessing was put forward last week by the Bishop of Durham).

So here is Charles, at 50, living the reality expressed by his friend Nicholas Soames that "being heir to the throne is not an ambition but a duty." It may even be, as Eric Anderson, former headmaster of Eton College and another friend, said Monday, that Charles is happy with his lot.



Prince Charles, with his terrier, Tigger, is burnishing his image.

They must be mad." Charles encouraged throughout the Duchy of Cornwall, his vast 128,000 acres of landed estates.

Similarly, when in 1984 Charles described a piece of modern architecture as a "monstrous carbuncle," he was dismissed as a fuddy-duddy with a blinkered 18th-century vision. But since then his dogged enthusiasm for a model town called Poundbury on land in the Duchy of Cornwall has met with enthusiasm.

In Margaret Thatcher's "stand on your own two feet" Britain, discussion of urban regeneration or helping the disadvantaged was derided from a prince who hies from a four-palace family. But the Prince's Trust, set up in 1976 to

give opportunities to young people, has been a personal success for Charles. The trust distributed £32 million in 1998. Other royal works include Business in the Community and a foundation for the urban environment.

The causes are worthwhile, if lacking the dash, bravura and glamour of the media-grabbing issues espoused by Diana. They have provided the prince with a structure and sense of purpose for the years in waiting.

Why then, when Charles has so many activities, interests and achievements, does the public perceive him as a sad and unhappy man whose busted marriage was symbolic of a more general failure?

The heart of the matter, as it has been for so many monarchs before him, is the personal issue. As a father, Charles has tried to be (forget Diana's mischievous barbs) as close, loving and warm as he feels his own family was upright and distant. His empathy with his children, from protecting unsure William to taking Harry by the hand as they viewed Diana's memorial flowers, has warmed the public.

But until and unless he resolves the Camilla question, his life will lack the still center from which his public works can be viewed in perspective.

For all his talk about inner cities, this prince with crab-apple red cheeks is a natural-born countryman. The rural pursuits he enjoys are now an anachronism for most of his future subjects. Even his interest in watercolor painting is light-years away from popular culture. (Yes, the Spice Girls are just "spicy".)

In brief, Charles is not Diana, with her extraordinary empathy with people equally alien to her privileged background. The prince therefore has no hope of transcending his family heritage to become a charismatic figure, let alone a global superstar. But at 50, he is doing his modest, self-deprecating best to be a useful member of the Windsor family firm.

## PEOPLE

**T**HE conductor Kurt Masur, music director of the New York Philharmonic since 1991, will become principal conductor of the London Philharmonic Orchestra as well, starting in 2000. Masur said the five-year appointment to conduct a limited number of concerts would not affect his commitment to the New York Philharmonic, which recently extended his contract to 2002. "Nothing will be changed in my relationship with the Philharmonic," said Masur, 71. The London Philharmonic has been without a music director since Franz Welser-Most left in 1995.**C**hristopher Reeve says his ABC movie "Rear Window" is a thriller of the high-tech variety. It showcases technology that people with spinal-cord injuries can use, he said. Reeve, who broke his neck in a fall from a horse in 1995, said: "It's an education about rehabilitation woven into a thriller. I tried to do it to represent all of us." Reeve said viewers shouldn't expect "Rear Window" to mirror the Alfred Hitchcock classic. "The movie I just did is specifically not a remake of the old film," he said.**W**illiam Luers, a former State Department official and ambassador to Czechoslovakia and Venezuela who has been president of the Metropolitan Museum of Art since 1986, is to be the next chairman and president of the United Nations Association of the USA, which does research and organizes

chapters of UN supporters. He succeeds John Whitehead as chairman and Alvin Adams as president.

**K**evin Klose, a former newspaper reporter who has been running the U.S. government's nonmilitary worldwide radio and television network, has been selected to run National

Public Radio. Klose succeeds Defano Lewis, who resigned in August. Klose's most recent job was as director of the U.S. International Broadcasting Bureau, and before that he was president of the government's Radio Free Europe/Radio Liberty from 1992 to 1997.

Two 19th-century oil sketches by the British artist John Constable are missing from the Victoria and Albert Museum in London, according to newspaper reports published Thursday. The sketches were last seen in a storeroom in August at the museum and are believed to have been stolen, the museum director, Alan Borg, said.

One of Sweden's leading literary critics, Horace Engdahl, has been chosen to lead the Swedish Academy, which awards the Nobel Prize for Literature. Engdahl, 49, will succeed Sture Allen as the academy's permanent secretary.

The University of Texas is acquiring a collection of more than 700 European paintings and drawings valued at nearly \$35 million. The collection includes works from the Renaissance through the Rococo period. Assembled in Italy by the art historian William Suida, the collection later was expanded by his daughter, Bertina Suida Manning, and her husband Robert Manning.

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